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Hundreds Die In Egypt as Blazing Fuel Floods Town

Wind and Rain Collapse Storage Tank Bridge, Triggering Explosion

By Chris Hedges
New York Times Service

CAIRO — More than 200 people were killed Wednesday after streams of blazing fuel raced through the streets of a village following the overturning of huge storage tanks in heavy rains and severe flash flooding, according to senior security officials.

The mud-walled village of Drunka, 325 kilometers (200 miles) south of Cairo, site of a military fuel complex containing eight tanks holding 15,000 tons of motor and aircraft fuel, was the center of the disaster.

The torrential winds and flash flooding apparently collapsed a bridge over the complex. The structure overturned some of the tanks as it fell, triggering an explosion and sending rivers of burning fuel into the town.

Floodwaters spread the flames rapidly through the streets, razing more than 200 houses and leaving scores of families homeless, security officials said.

Thousands of people sought refuge in the southern provincial capital of Asyut, officials reached by phone said. And 12 hours after the disaster, officials said they were still trying to put out the fires.

Egyptian television showed stunned residents of the town of 18,000 walking through knee-deep puddles as clouds of black smoke obscured the damaged homes.

It was one of the worst natural disasters in Egypt since an earthquake killed more than 400 people in 1992.

The official death toll has risen because after the fires were controlled we were able to go into homes and recover the bodies," the governor of Asyut Province, Samih Saeed, told Egyptian television.

He said that 147 people had died in the explosion that took place after the collapse of the main bridge to the complex at 6:30 A.M. Officials said it was still too early to determine the total death toll.

Hospital officials in Asyut said more than 410 people had been killed in the fire and flooding. And one health official said more than 229 corpses from Drunka were taken to Asyut hospitals and another 122 corpses were still in the town.

The flash flooding killed another 63 people in southern Egypt, according to security officials.

Mohammed Abdel-Mohsen Saleh, a member of Parliament from the area, criticized the government for placing the fuel storage area close to a residential area.

The tanks are operated by a subsidiary of the state-run Egyptian General Petroleum Corp. Company officials in Cairo refused to comment on the disaster, but said they were investigating it.

New Priority in Mideast: Making Money

By Alan Friedman
International Herald Tribune

PARIS — For more than a generation, the legitimacy of governments in the Middle East was shaped in large part by the geopolitics of the Arab-Israeli conflict.

Now, after the epochal business summit meeting just concluded in Casablanca, a different policy imperative has begun to reassert itself among governments in the Middle East and North Africa: making money.

The meeting, to be sure, was bound to be more upbeat and symbolic than substantive, following as it did the peace accords between Israel and the Palestine

Liberation Organization, and Israel and Jordan.

Yet, as John Page, the World Bank's chief economist for the Middle East and North Africa region, put it, "the event

NEWS ANALYSIS

itself was the substance by virtue of getting together businessmen from more than 1,000 companies and officials from more than 60 countries, and by virtue of the ease with which they were talking to each other."

Beyond this kind of morale-boosting rhetoric, however, lies a politico-economic reality that offers both peril and

promise to those who want to see stability in this troubled region.

Put simply, between now and the year 2000, many billions of dollars in aid are likely to flow to the region from the European Union, the United States and multilateral institutions. The motives for the aid vary, ranging from the European desire to stanch immigration and the spread of Islamic fundamentalism by fostering more prosperity, to the U.S. goal of making economic growth so attractive that it reduces the likelihood of military conflict between Israel and its foes.

But aid alone is not the answer. If the economic side of the peace process is to

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U.S. Steps In to Halt Dollar's Steep Slide

But Other Countries Stand Aside, Fueling Doubt Rebound Can Last

By Carl Gewirtz
International Herald Tribune

With the dollar falling to another postwar low against the yen, the United States intervened unilaterally in foreign exchange markets on Wednesday to support its currency.

The Federal Reserve bought dollars at least three times after trading in Europe and Asia had already ended, braking the fall of the currency against the yen and the Deutsche mark.

But analysts remained skeptical that the surprise move to bolster the sagging dollar would have a lasting effect on its value.

The U.S. Treasury secretary, Lloyd Bentsen, speaking after the intervention began, remarked that the dollar's weakness was "inconsistent with the fundamentals of a strong investment-led recovery in the United States."

The repeated intervention by the Federal Reserve Bank of New York, which acts at the direction of the Treasury, lifted the dollar from a low of 96.10 yen. Intervention against the Deutsche mark lifted the dollar from a low of 1.4910 DM.

The dollar closed in New York at 1.5154 DM, up from 1.4948 on Tuesday, and at 97.65 yen, up from 96.65. The dollar rose to 5.1900 French francs from 5.1190 and to 1.2635 Swiss francs from 1.2458. The pound weakened to \$1.6230 from \$1.6335.

The U.S. intervention came less than two weeks after remarks by Mr. Bentsen, made during a campaign trip in Seattle, triggered a sharp slump in the dollar. Although he sought to clarify his position just a few hours later, noting that the United States wanted to see a stronger dollar, Mr. Bentsen sent currency markets into a feeding frenzy on Oct. 20 by saying, "We have no plans to intervene." In recent days the dollar has continued to trade listlessly.

Analysts said that without coordinated participation from other leading central banks and without a significant change in policy—a coordinated rise in U.S. interest rates and a lowering of German and Japanese rates—the U.S. action could only be seen as a stalling operation aimed at slow-

ing the dollar's decline rather than as an attempt to lift the dollar.

The dollar's fall and the intervention were linked, analysts said, to the failure on Monday of U.S.-Japanese trade talks aimed at opening Japan's market for flat glass. An agreement in principle had been announced on Oct. 1. The inability to settle the deal, analysts said, fueled worries that the U.S. government would seek to pressure Japan by encouraging a dollar decline that would put upward pressure on the yen.

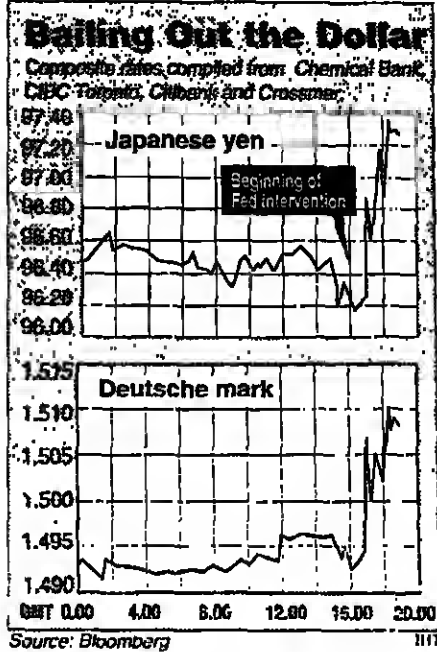
But Mr. Bentsen sought to allay that sentiment on Wednesday, saying "the administration is committed to sound economic policies that expand the economy's capacity and sustain recovery with low inflation."

"Continuation of recent foreign exchange trends would be counterproductive for the United States and the world economy," he said. "A stronger dollar will reduce inflation pressures, improve Ameri-

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AN OBJECTION — Jordanian opposition leaders at the Islamic Action Front office in Amman, where they vowed Wednesday to oppose the treaty with Israel peacefully. From left: Ali Amur, Issa Moudanat, Mohammed Auda.



13 Radicals Killed in Raids After Algiers Colonel Is Slain

Compiled by Our Staff From Dispatches

ALGIERS — Fundamentalist guerrillas shot and killed the military commander of Algiers on Wednesday, triggering raids in which government troops killed 13 armed militants.

Colonel Cherif Djelloul was slain while discussing the surrender of nine guerrillas surrounded by security forces in a 15-story building, the official Algerian news agency APS said, quoting security officials.

He was the highest-ranking army officer officially reported killed in a battle with militants in nearly three years of civil strife in the country.

Colonel Djelloul was unarmed when he was "murdered in cowardly fashion," the statement said.

After the colonel was killed, troops stormed the Lafayette Tower building and killed nine guerrillas, including a Muslim rebel woman, APS said. Earlier reports had suggested women may have been taken hostage by the rebels but later reports said they were guerrillas.

The raid took place after a 36-hour

siege, officials told APS. Residents were evacuated from the block, they added.

A short distance away, security forces raided another house, killing four armed militants, APS said.

A woman was among the four guerrillas who were killed in the second house after they rejected a demand by security forces for their surrender, APS said.

The drama began Tuesday with a shootout between fundamentalists and security forces in the bustling Telemly Boulevard district, prompting the police to seal off the area. Media reports said four armed fundamentalists, including their leader, who was known as Flichea, were killed in the shootout on Tuesday. Officials gave no details of the raid.

After the shootout, a group of militants took refuge in the nearby Lafayette building. Elite troops and police rushed the building on Wednesday. The guerrillas had threatened to blow up the building and the two girls they claimed to be holding hostage.

The government's operation, involving large numbers of hooded special troops and police, began Tuesday, the day a bomb attack blamed on Muslim radicals killed four children attending a ceremony in a cemetery in the west Algerian coastal town of Mostaganem. Initial reports had said five children had died.

The independent daily El Watan said the attack at the cemetery was apparently intended to kill the prefect of the district around Mostaganem, 280 kilometers (170 miles) west of Algiers, and the military and police chiefs and soldiers who were at the ceremony to mark the 40th anniversary of the start of the war for independence from France.

The bombing was denounced by an exiled spokesman of the Islamic Salvation Front, which was outlawed in March 1992, two months after the military canceled the second round of general elections that the fundamentalist movement had been poised to win.

In a statement released in Bonn, the Islamic Salvation Front said that it "attacks and energetically condemns this disgraceful killing and the cowards who carried it out." (AFP, Reuters)

Reuters reported earlier from Paris: Interior Minister Charles Pasqua of France welcomed Wednesday the announcement by President Liamine Zeroual of Algeria of presidential elections next year in Algeria.

His remarks contrasted with the Foreign Ministry's refusal to comment on the election plan, highlighting again differences in Paris over policy toward Algeria.

"I think everything that leads to the ballot box is positive," Mr. Pasqua said in a France 3 television interview. "I never believed there could be a real agreement between the current leaders and the Islamic Salvation Front," he said. "Is this the way? I hope so."

Case of the Fake Fax Sets Stiff Upper Lips Atremble

By Fred Barbash
Washington Post Service

LONDON — "The Case of the Cod Fax" is what they're calling it, and Parliament was consumed with it on Wednesday.

Indeed, the Conservative Party members of the House of Commons are thrilled with it, because it has succeeded in putting the British press on trial along with them, if not instead of them.

The plot: a fax sent by The Guardian on the letterhead of the House of Commons in order to obtain information without exposing a source.

The translation: "Cod" is British slang for fake.

The characters are a minister in the Conservative

government of John Major; Mr. Major himself; Betty Boothroyd, speaker of the House of Commons and star of C-Span; Peter Preston, editor of The Guardian, and the owner of Harrods, Mohamed al Fayed.

A brief synopsis: In January, The Guardian started an investigation into payments and freebies to MPs from individuals with an interest in parliamentary business. The paper's investigation, and another by The Times of London, opened up a rich vein of what headline writers and opposition Labor Party politicians alike are calling "sleaze."

So far, two ministers in Mr. Major's government have resigned following allegations they did favors in exchange for favors; another two are under investigation

for same, and a third, Jonathan Aitken, is struggling for his political life.

The Guardian accused Mr. Aitken, chief secretary of the Treasury, of vacationing at the Ritz Hotel in Paris, courtesy of a Saudi Arabian businessman, Said Mohammed Ayyas. Mr. Aitken has denied the charge, saying he paid his bill in full.

Among the paper's exhibits, which convinced it to run its story, was a copy of Mr. Aitken's bill at the hotel. The question arose: How did the paper obtain the bill?

It turned out that it obtained the bill from the owner of the Ritz, Mohamed al Fayed, the same man who owns Harrods; the same man who two weeks ago went public

See SLEAZE, Page 4

Texas Good Ol' Girl Politics

Richards Likens Her Opponent, Bush, To a Whiny and Ungrateful Husband

By Maureen Dowd
New York Times Service

DALLAS — On this Sunday afternoon, the Cowboys are playing Cincinnati, and there's hardly a man in sight. So Ann Richards gets down to some serious girl talk.

At a lunch with a couple of hundred black women, the governor spots a friend who is wearing a bandage over a torn ligament and red high heels.

"The older you get, the less you have to pretend," she draws, urging the woman to get rid of those "silly" shoes. "You think those high heels are going to make a difference? I don't care how sharp looking those are, he's still going to mess around, Helen."

The crowd goes nuts, screaming and whistling and whooping.

There are moments when Ms. Richards looks tense, and when her tone seems more valedictory than voracious. But there are other moments when watching the 61-year-old Democratic governor is like watching a vintage sports car. In the home stretch, she has been working her base of blacks and Hispanic people and women hard.

In her smart pink suit and Lone Star brooch at the gathering of Dallas "good ol' girls," as she puts it, she revs up her engine and heads straight for her 48-year-old Republican rival, George W. Bush, son of former President George Bush.

"Every single one of you in this room knows what it's like to work like a dog to move things forward and then have some whiner come in there," she says, affecting a whiny voice, "and say, 'This isn't right, that isn't right.'"

Now, with the women on their feet cheering, Ms. Richards shifts into high gear.

"And how many of you have had a real busy day at work or doing some volunteer job or getting everything ready at school for the big PTA meeting," she says. "And



LIKE OLD TIMES — Demonstrators outside the former U.S. Embassy in Tehran on Wednesday, marking the 15th anniversary of its takeover. In Paris, three Iranians accused of the Bakhtiari murder went on trial. Page 4.

Kiosk

Abortion Doctor's Killer Convicted

PENSACOLA, Florida (AP) — A former minister was convicted of murder Wednesday in the shotgun slayings of an abortion doctor and volunteer escort.

The jury deliberated just 20 minutes before finding Paul Hill, 40, guilty. He could receive life in prison or death in the electric chair.

After being barred by the judge from arguing that the slayings were justifiable homicide to save the lives of fetuses, Mr. Hill, acting as his own lawyer, put up no defense. He asked no questions and made no statements.

The jury will return for the penalty phase on Thursday.

Mr. Hill was also convicted of attempted murder for wounding a second volunteer escorting the doctor during the July 29 attack.

Book Review Page 10.

Dow Jones	Trib Index
Down 26.24	Down 1.42%
3837.13	115.71

The Dollar	Wed. close	previous close
DM	1.5154	1.4948
Yen	1.223	1.2335
FF	5.19	5.119

Newsstand Prices	
Andorra	9.00 FF
Armenia	11.20 FF
Cambodia	1.400 CFA
Egypt	9.00 FF
France	9.00 FF
Gabon	960 CFA
Greece	300 Dr.
Italy	1.200 Lire
Ivory Coast	1.200 CFA
Jordan	1 JD
Lebanon	1.500 L.L.
Luxembourg	60 L. Fr
Morocco	12 Dh
Qatar	8.00 Riels
Réunion	11.20 FF
Saudi Arabia	9.00 R.
Senegal	960 CFA
Spain	200 PTAS
Tunisia	1.000 Din
Turkey	35.000 L.
U.A.E.	8.50 Dirh
U.S. Mil.	(\$1.10)

See TEXAS, Page 4

UN General Fuels Allies' Discord on Bosnian Air Strikes

By Joseph Fitchett

International Herald Tribune

PARIS — Urging more aggressive use of NATO warplanes to back up Security Council resolutions in Bosnia, U.S. officials said Wednesday that air power could make a critical difference in spurring Bosnia's Serbs to seek peace before the fighting escalates again.

But the officials voiced frustration about the reaction to the Clinton administration's position in major European capitals, which still support the United Nations in objecting to military action.

This new chapter of trans-Atlantic disagreement about Bosnia burst into the open Wednesday with the disclosure of a letter in which Sir Michael Rose, the British lieutenant general in command of the UN peacekeeping forces, voiced his reluctance to call in North Atlantic Treaty Organization air strikes against Bosnian Serbs.

By its conciliatory tone, the letter — sent Sept. 30 but just published by The Times of London — contradicts the thrust of a UN-NATO accord

last week to mete out harsher punishment against artillery near Sarajevo.

U.S. officials were infuriated by the tenor of this private message to General Ratko Mladic, commander of the Bosnian Serb forces, sent as Washington was urging allied governments to close ranks behind a tougher policy aimed at isolating the Bosnian Serbs.

"It talks to them the same way the UN is acting toward them, all carrot and no stick," a NATO official said.

Defending his views in a separate letter to The Times published in the same issue, General Rose argued that the UN mission was "principally one of peacekeeping, not peace enforcement," contending that his team's work had succeeded because "central Bosnia is fast returning to normality."

At NATO, allied governments have embraced the Clinton administration's view that the time is ripe for sharper use of air power in order to persuade the Bosnian Serbs to reach a settlement, roughly along the lines proposed by the "contact group" of five mediating nations: the

United States, Britain, France, Germany and Russia.

As a U.S. official put it, "the contact group is our top priority and enhanced air power is the only conceivable way to get a solution in real time" — a phrase referring to worries that time is running out for keeping sanctions on Belgrade.

But the same allied governments also have largely acquiesced in the contrasting UN view along the lines that, in a civil war too bloody to control, the best rest of the world can hope to do is provide humanitarian relief and hope that it at least lessens the conflict's impact in the West.

In one respect, the Clinton administration and European governments share the same hopeful assessment: that the war may be slowly grinding to a halt, mainly because Belgrade has started pressing the Serbs in Bosnia to settle.

How to capitalize on this moment, however, has revived a split between what officials call, euphemistically, "the two cultures" inherent in such different organizations as NATO and the United Nations.

In contrast to NATO, UN commanders on the

ground develop the view that the conflict has no good side and no "enemy" to be beaten.

For example, UN headquarters in Bosnia does not intelligence gathering, a commander explained recently, because advance warning is irrelevant for peacekeepers with no intention of taking countermeasures.

This gap in mentalities between NATO and the UN system, several officials said, helps explain why it has proved so difficult to achieve cooperation on the ground.

In the Security Council, governments are deliberately vague, at NATO, the same governments have to be specific," according to a Western official.

The result, he said, is "a dual-key system which in effect means a double veto, so action rarely gets taken in Bosnia."

Most vetoes have come from the UN hierarchy. But the most recent calls for NATO air strikes — to halt the current Muslim offensive — were rejected by Secretary of State Warren M. Christopher on the grounds that the Bosnian Serbs have been the overall aggressors in the war.

WORLD BRIEFS

Yeltsin Weighs a Cabinet Reshuffle

MOSCOW (Reuters) — The head of Russia's lower house of Parliament said Wednesday he had discussed with President Boris N. Yeltsin a need for urgent government changes. Interfax news agency reported.

The State Duma chairman, Ivan Rybkin, said a cabinet reshuffle would take one or two weeks, but gave no further details. It was not clear if Mr. Yeltsin, who has the power to dismiss ministers, had agreed to specific cabinet changes.

Mr. Rybkin told Interfax that talks with Mr. Yeltsin on Wednesday had brought up an "extremely urgent need to renew the makeup of the government." Last week, the Duma turned back a no-confidence motion in the government of Prime Minister Viktor S. Chernomyrdin.

Rabin Rejects Dialogue With Hamas

JERUSALEM (AP) — Prime Minister Yitzhak Rabin of Israel came out firmly Wednesday against any dialogue with the Islamic Resistance Movement, or Hamas, after two ministers urged talks with moderate Muslims. "Hamas is the enemy of peace and there is only one way to deal with it: by waging a merciless war," he told state radio.

Police Minister Moshe Shahal proposed a dialogue, despite a string of attacks claimed by the fundamentalist group last month — especially the Oct. 19 bus attack in Tel Aviv that killed 23, including the suicide bomber — and threats of more attacks to come.

"The government is wrong to reject Hamas wholesale," Mr. Shahal said at a meeting of Labor Party members in Parliament, picking up on a call by Deputy Foreign Minister Yossi Beilin last week for talks with Hamas moderates who have voiced interest in contacts with Israel.

New Yorker Writer Cleared of Libel

SAN FRANCISCO (AP) — Janet Malcolm, a New York Times writer, was cleared Wednesday of libel in a story about a psychiatric analyst who accused her of making up quotations.

In a trial last year, a jury had found Ms. Malcolm guilty of libel against Jeffrey Masson, but deadlocked on the issue of damages, effectively nullifying the entire proceeding.

The U.S. District Court jury ruled Wednesday that two of the five challenged quotations in the article were false. But the panel also found that Mr. Masson failed to prove Ms. Malcolm deliberately or recklessly falsified the statements.

Estonian Ship's Master Found Drunk

STOCKHOLM (AP) — An Estonian-flagged freighter was forced to anchor briefly outside Stockholm's harbor after the captain was discovered to be drunk, officials said Wednesday.

The ship, the Donata, and its crew had been chartered by the Estline shipping company, owner of the ferry Estonia, which capsized in the Baltic Sea on Sept. 28, killing more than 900 people. The company plans to launch a new passenger ferry next week.

Swedish authorities halted the Donata shortly after it sailed from Stockholm's harbor and headed toward Tallinn, Estonia, Tuesday night. The vessel was allowed to leave Wednesday morning, with a different captain. The Swedish news agency TT said Estline's owners, trying to polish the company's image, were dismayed over the incident with the drunken captain. "Had it been our crew, this would not have happened," Hans Laidwa, Estline's press officer, was quoted as saying.

TRAVEL UPDATE

Paris Airport-TGV Link Inaugurated

PARIS (Reuters) — Planes and high-speed trains, two traditional rivals, were united Wednesday for their mutual benefit at the French capital's main airport in a new arrangement to cut travel time for passengers of both.

Officials inaugurated a futuristic station for high-speed TGV trains at Charles de Gaulle airport. It will allow TGV passengers to skirt Paris, 50 kilometers to the south. Local express trains will also link the airport station to the city center, ending shuttle-bus runs from the existing suburban train station.

In an early stage after the new airport station is opened to the public on Nov. 13, 14 daily TGV trains will link the airport to Lyon to the south and Lille to the north. Air France, the main operator at Charles de Gaulle, said it expected to agree soon with the state railroad, SNCF, to issue joint rail-air tickets.

The United States, Canada and Australia have agreed to ban smoking on all flights between the three countries, the U.S. Transportation Department announced. The ban will go into effect in 120 days. (APF)

Japan Air Lines announced a frequent-flyer program with American Airlines following a similar move in October by All Nippon Airlines and six other carriers. (APF)

Jakarta plans to revive on-the-spot push-ups as punishment for jaywalkers, a city official said. The punishment set off protests by the Legal Aid Institute when it was imposed in 1991. (Reuters)

Quantas Airways will offer sightseeing flights over Antarctica for the first time in 15 years. The airline said it intended to operate six charter flights out of Melbourne from New Year's Eve to February using a Boeing 747-300. It suspended such flights soon after an Air New Zealand DC-10 crashed into the side of the Mount Erebus volcano in November 1979, killing 257 people. (AP)

Clinton Was Target, Evidence Suggests

Strafer May Face New Charge

Compiled by Our Staff From Dispatches

WASHINGTON — Prosecutors are considering charging a Colorado man with attempted assassination after finding new evidence indicating that he intended to kill President Bill Clinton when he fired on the White House, an official said Wednesday.

The official, who is familiar with the investigation, said testimony from a former co-worker and papers found in the truck of the suspect, Francisco Martin Duran, had prosecutors "looking at broadening the charges" against him even though Mr. Clinton was nowhere in sight during the shooting Saturday.

Mr. Duran, 26, was bound over Wednesday for trial on four charges that were filed against him Monday. A magistrate ordered him held without bond on the charges: possession of a firearm by a convicted felon, destruction of government property, resisting a federal officer while armed and unlawful use of a firearm during the commission of a felony.

If convicted, he could face up to 35 years in prison and \$1 million in fines.

Officials said the additional evidence and testimony have significantly altered their deliberations by suggesting that Mr. Duran had come to Washington not merely to get attention

or protest, but specifically to kill the president.

Mr. Duran is accused of firing 27 shots from a semiautomatic rifle at the White House. No one was injured.

David Millis, a former co-worker of Mr. Duran's at the Broadmoor Hotel in Colorado Springs, Colorado, where the suspect works as an upholsterer, said that Mr. Duran had said he was "going to take out the president."

Mr. Millis, 20, who said he knew Mr. Duran about seven months, said: "He used to talk a lot about the government, how it had screwed him over," adding "and stuff like assassinating the president. I didn't think he was serious, I thought he was full of hot air."

Among the papers law enforcement officials found were a map with the words "kill the president" — but he abbreviated the word president," said a law enforcement official.

Some Treasury officials were initially skeptical that there was enough evidence to warrant charging Mr. Duran with an assassination attempt because the gunman aimed at the White House, not the president. FBI officials believed, however, that the written material indicated Mr. Duran's intent in firing at the White House, sources said.

(AP, WP)

East German Spy Trader Goes on Trial

By Craig R. Whitney

New York Times Service

BERLIN — A Cold War lawyer and spy trader who brokered freedom for 33,755 East German political prisoners in exchange for \$2.5 billion paid to the Communists by the West German government went on trial Wednesday on charges of helping the secret police blackmail former clients into leaving houses and property behind.

Wolfgang Vogel, 69, who became a millionaire and was a respected confidant of leaders on both sides of the Berlin Wall until its collapse five years ago made his services unnecessary, is the most prominent East German private citizen to be charged with knowingly taking part in criminal wrongdoing by the Communist regime.

Prosecutors accused him of being an employee of the Ministry of State Security from 1953 to 1989, a charge Mr. Vogel denies despite secret police files that show that he collaborated extensively with them for decades.

The prosecutors are pursuing him separately for more than 9.5 million Deutsche marks (\$6.3 million) in taxes that they say he should have paid to East Germany on income he got from the West German government and clients during the 1980s.

Mr. Vogel, now retired, insisted that the official requirement that people wanting to leave East Germany had to sell or leave behind their property was not his doing. When



Wolfgang Vogel before his trial began Wednesday.

he helped arrange sales for clients when he was leaving, he said, he often did not know who the buyers were.

The three-judge court that opened his trial Wednesday gave considerable credence to that defense two months ago when it threw out 32 counts of the original 738-page, 53-count indictment.

"The defendant Vogel was a high-ranking instrument, not a decision-maker of the Ministry for State Security,"

the judges ruled. Mr. Vogel, they said, did not have the power to decide who could leave East Germany and who had to stay, as the prosecutors charged, and could not be accused of blackmailing people who came to him asking if gifts of money or property to the state could get them out.

Bernhard Brocher, one of the prosecutors, said Wednesday they had appealed the ruling. Mr. Vogel was not the independent advocate his clients

took him for but an informer who had only the interest of the State Security Ministry in mind, the prosecutors insist. His former notarial assistant, Erika Dorfheid, is a co-defendant.

"I am convinced that I will get a fair trial from the independent judiciary, if not from prosecutors content to let themselves be described in the press as out to get me," the grave, gray-haired Mr. Vogel said after the judges announced a five-day adjournment only 90 minutes into the proceedings Wednesday.

This was to give the defense time to respond to a shrunken 29-page charge sheet with the 21 remaining cases that was handed over to Mr. Vogel's lawyers, but not made public, by the prosecutors only Wednesday morning. Mr. Vogel was arrested in July 1993 and released on bail of 3.5 million DM last January. He also faces a charge of perjury in one of the property cases.

The trial is expected to last through February in the district court next to Berlin's Moabit jail, where Mr. Vogel spent six months.

The gloomy second-floor courtroom, No. 500, was the same one where Erich Honecker, the late East German leader, briefly stood trial on charges of bearing responsibility for the deaths of hundreds of East Germans who tried to escape across the Wall.

Altogether, Mr. Vogel faces imprisonment of up to 15 years if convicted.

U.S. Dangles Financial Aid Carrot to Keep Ulster Truce Going

By Thomas W. Lippman

Washington Post Service

WASHINGTON — In an effort to encourage the peace process in Northern Ireland, the administration has announced a modest increase in U.S. financial aid to Northern Ireland and

the Irish Republic, and has said President Bill Clinton will host an Irish trade and development conference in April.

The economic incentive package is intended to be "the United States' response to the cease-fires declared by both

sides," a senior White House official said Tuesday.

Irish leaders have given the Clinton administration's diplomatic efforts substantial credit for the cease-fires announced by the Roman Catholic-dominated Irish Republican Army,

which seeks union with the Irish Republic, and Protestant militant groups, which are insisting on remaining part of Britain.

Although limited in scope, the economic package is a logical extension of a policy, which the administration has pursued for much of the past year, of encouraging Northern Ireland's factions to give up violence without taking an active role in whatever negotiations may ensue.

Irish leaders of every stripe who have visited Washington this year have said economic

development is essential to redressing the real or imagined grievances of the people of one of most depressed areas of Western Europe.

The Clinton administration's aim is to "get in on the ground and show both sides the benefits of peace as soon as possible," a senior official said. "These guys need jobs."

According to a White House announcement, the U.S. contribution to the International Development Fund for Ireland will increase by \$10 million a year, to nearly \$30 million, be-

ginning in fiscal 1996. The fund will provide seed money aimed at stimulating economic development.

Commerce Secretary Ronald H. Brown will lead a U.S. delegation to an economic development conference in Belfast in December organized by Prime Minister John Major of Britain.

Then in April, Mr. Clinton will invite representatives of the Irish and British governments, political leaders from both countries and the American business community to an investment conference in Philadelphia.

9 Die on German Highway

Agence France-Press

KAISERSLAUTERN, Germany — Nine people in a minibus were killed when a Polish tractor-trailer veered on a superhighway near here Wednesday and crushed the vehicle.

The crash occurred on the A63 superhighway near here Wednesday and crushed the vehicle.

Icing Cited as Possible Cause of U.S. Commuter Plane Crash

Compiled by Our Staff From Dispatches

ROSELAWN, Indiana — A commuter plane that crashed in northern Indiana, killing all 68 aboard, flew in a holding pattern for more than 32 minutes in a cold blowing rain that could have caused ice to form on the wings and fuselage, sources close to the investigation said.

But the investigation into the crash of American Eagle Flight 4184 so far has yielded no conclusive evidence as to why the plane, a twin-engine turboprop, dropped from the sky Monday night shortly after air-traffic controllers gave the two-man crew permission to leave the holding pattern and descend from 10,000 feet to 8,000 feet. The flight was en route to Chicago from Indianapolis.

Federal sources said there was an hint of trouble at any

point on tape recordings of the plane's conversations with air-traffic controllers. The crew did not even mention the weather, and their last transmission was a routine acknowledgment of the clearance to descend.

The plane, an ATR-72, built by a consortium of France's Aerospatiale and Italy's Alitalia, was new, had no service problems and the crew was experienced with an unblemished record, according to the Federal Aviation Administration and American Eagle.

As rescue workers continued removing broken bodies and sifting through shredded wreckage, Monday's weather conditions were an obvious area of inquiry by the National Transportation Safety Board. Several

other aircraft reported icing conditions as they approached the Chicago area.

Two in-flight weather advisories had been issued for turbulence and icing, said Jim Hall, the safety board chairman. Investigators were checking the plane's voice data recorder to see if the pilot received the warnings.

Board sources cautioned, however, that initial speculation on causes is often wrong, icing, which can rob a plane of lift, was the initial speculation in the last two commuter airline crashes — at Hibbing, Minnesota, on Dec. 1, 1993, and Columbus, Ohio, on Jan. 7 — but proved not to be a factor.

Board investigators are looking into numerous other possible reasons that the plane plunged to the ground.

It is not unusual for planes to fly in holding patterns for 32 minutes, said David Hinson, an administrator with the Federal Aviation Administration. Planes are sometimes held for two to three hours, he said.

Mr. Hall said investigators would be interviewing air traffic controllers in Chicago "to determine why they had them in that holding pattern," and what the normal procedures are in such weather circumstances.

Mr. Hall, describing the last minutes of the Indianapolis-to-Chicago flight, said preliminary transcripts showed there were no transmissions or distress signals after the pilots agreed to circle for 10 minutes more.

Investigative efforts since the crash have been hampered by rain and mud, but the weather cleared Wednesday, and officials prepared to begin carrying out the remains of the 64 passengers and four crew members in a temporary morgue at a nearby National Guard armory.

Authorities have said the severity of the crash made immediate identification of the victims impossible. (WP, AP)

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THE AMERICAS / VICTIM OF CRIME

POLITICAL NOTES

Democrat on the Rise Rediscovered Clinton

DETROIT — It may not have been the strongest symbol of improving Democratic political fortunes, but there it was: Representative Bob Carr, Democratic candidate for Senate, sharing a podium with President Bill Clinton.

Three weeks ago, Mr. Carr stayed in the cheap seats during a visit by Mr. Clinton to a Dearborn auto assembly plant, declaring it "not a campaign event." Even though Mr. Carr had spent lavishly on campaign ads touting his vote for the president's first budget, the news coverage conveyed an impression of him running away from Mr. Clinton.

But having drawn closer to the Republican nominee, Spencer Abraham, with a week left in the campaign, Mr. Carr made sure no one could accuse him of not also being close to the president. The two stood shoulder to shoulder as Mr. Clinton and other Democratic officeholders staged a rally in an attempt to energize traditional Democratic constituencies in a key race that could determine whether their party retains control of the Senate.

The get-out-the-vote rallies in Detroit and later in Cleveland reflect the fears of Democratic operatives that poor turnout by core party groups like labor and minorities could abort what they see as a recent upturn in the popularity of Mr. Clinton and Democratic candidates. (WFP)

Ethics of Whitewater Appointment Upheld

WASHINGTON — Citizens who questioned a federal judge's luncheon meeting with two Republican senators while he was considering the appointment of the Whitewater independent counsel are "naïve" and have a "fundamental misunderstanding" of how such appointments are made, a supervisory judge said in dismissing their complaints.

Judge Harry T. Edwards, the chief judge of the U.S. Court of Appeals for the District of Columbia Circuit, said the judge was allowed to consult with anyone he wanted while a panel he headed was weighing appointment of an independent counsel. Although he never named the judge in question, Judge Edwards described in detail ethical complaints against Judge David B. Sentelle, who serves with him on the D.C. Circuit.

Judge Sentelle is also presiding judge of the panel that appointed an independent counsel to investigate Mr. Clinton's Whitewater real estate deal and his involvement with a failed Arkansas savings and loan.

"There may be some members of society who would question the actions of the accused judge, for they have a pristine (albeit arguably naïve) view of the appointment process. But this is irrelevant," Judge Edwards wrote in the 16-page opinion.

The Sentelle panel's decision in August to replace Special Prosecutor Robert B. Fiske Jr., a moderate Republican, with an outspoken conservative, Kenneth W. Starr, a former federal appeals judge, was widely questioned after it was disclosed that Judge Sentelle had a July 14 luncheon meeting with Senators Lauch Faircloth and Jesse Helms. After the lunch, Judge Sentelle and Mr. Faircloth were seen huddled in "deep conversation on the Capitol's underground tram." The judge said later that they were "old friends" talking about prostate problems and cowboy boots.

Quote/Unquote

Frank Luntz, a Republican poll-taker, on why wealthy candidates who spend their own money on their campaigns often are viewed favorably by the voters: "It is advantageous to put your money in because voters perceive you can't be bought. If you're a millionaire, special interests can't touch you. You don't need anything from them. And if you're a rags-to-riches story, you're golden." (LAT)

The Candidates Use Crime to Bludgeon Each Other

By Howard Kurtz
Washington Post Service

WASHINGTON — In an ad for Jeb Bush, a Florida gubernatorial candidate, a mother whose daughter was murdered says: "Her killer is still on death row and we're still waiting for justice. We won't get it from Lawton Chiles because he's too liberal on crime."

In an ad for George E. Pataki, a New York gubernatorial nominee, a mother whose son was killed by a repeat offender says: "I blame it all on Cuomo and his policies. ... Cuomo does not care about the victims of crime. He cares about the criminals."

In an ad for a Pennsylvania gubernatorial candidate, Thomas J. Ridge, the narrator says: "In 1992, Mark Singel votes to free a murderer. Now the same man is arrested again. ... Just a mistake or too liberal on crime?"

It is perhaps the ultimate negative ad, blaming a public official for an innocent person's death or leniency for the killer. In the closing days of a nationwide election campaign marked from the start by harsh advertising, several candidates have unleashed such a weapon, raising the emotional stakes by focusing on heart-rending victims of crime.

The use of personal tragedy to assail an opponent — often by turning the camera on a grieving parent or spouse — represents a chilling refinement of the technique used in the Willie Horton ads of 1988. Those ads, produced in support of then-Vice President George Bush, used Horton, a convicted murderer, to bludgeon Michael S. Dukakis, then the governor of Massachusetts. Horton raped a Maryland woman and stabbed her fiancé after Mr. Dukakis granted him a furlough.

The use of crime victims or their families is "dangerous as hell," said Don Sipple, a Republican consultant who has made several stark ads about crime. "I think you are vulnerable to charges that you're using someone else's pain for political advantage. You're trying to put blood on someone's hands, which a lot of people think is unfair."

But Mike Murphy, a Republican ad maker, believes such spots are effective. "People tend to believe the victim, not the politician," he said.

As further evidence of a determination to harness the public's anger about crime, some



Governor Cuomo has been trading charges with Republican candidate George Pataki.

officeholders are trying to turn their own personal disclosures to political advantage.

Georgia's Republican gubernatorial candidate, Guy Millner, made an ad in which his 31-year-old daughter talked about her encounter with a knife-wielding burglar. Representative James Cooper, Democrat of Tennessee, made an ad about an intruder's attempt to break into his house while his wife was at home. And during a recent debate, California's Democratic gubernatorial candidate, Kathleen Brown, spoke of her daughter's rape.

Unlike the Horton commercial, which pictured the black convict, the 1994 ads avoid any reference to race.

The ad for Jeb Bush, the former president's son, begins with a picture of 10-year-old Elisa Nelson in her baseball uniform as her mother, Wendy, recalls her murder in 1980. Mrs. Nelson complained that Florida's governor, a Democrat, had not signed enough death warrants. "I know Jeb Bush," she says. "He'll make criminals serve their sentences and enforce the death penalty. Lawton Chiles won't."

Mr. Chiles called the ad "crass" and "a repeat of Willie Horton." Mr. Chiles noted that the Nelson case had never come before him — the killer's execution has been delayed by court appeals — and that he had presided over eight executions during his term, compared with nine under his Republican predecessor.

Frank Greer, Mr. Chiles's media adviser, said 51 percent of those surveyed by the campaign thought Mr. Bush's charge was unfair, while 23 percent deemed it legitimate. "It's backfired big time," Mr. Greer said. "It's a scandalous exploitation of a victim. At least the Willie Horton ad had some semblance of truth."

Mr. Greer is using press criticism in a counter-attack spot: "The Miami Herald says the Bush campaign had 'sunk to new depths,' exploiting the anger and pain of a crime victim. ... The Bush campaign should be ashamed. ... If Jeb Bush won't tell the truth about matters of life and death, how can we trust him with our future?"

The New York Times labeled as "shameful" and "cynical" the ad for Mr. Pataki, a Republican. It featured Carol McCauliff, whose son was killed in July by a man who remained on parole despite repeated violations. But news accounts noted that his full sentence expired three weeks before the murder, so he would have been free regardless of parole.

Not to be outdone, Mario Cuomo aired an ad featuring Carolyn McCarthy, whose husband was killed in the Long Island Railroad shooting in December 1993. She says that Mr. Pataki's implication that Mrs. McCauliff's son "could still be alive if he had been the governor is a cruel and hurtful hoax."

"I'm a Republican," she continues, "but this shows that George Pataki doesn't have the character to be governor."

The Pataki campaign did not return several phone calls.

The victims' relatives, for their part, simply want to get their message out. Wendy Nelson says she volunteered to make the ad after Mr. Bush expressed interest in her plight at a campaign event. She does not feel used in any way.

"I am very frustrated with the system," Mrs. Nelson said. "I think a system that takes 14 years to execute someone is broken."

The Pennsylvania case is more clearly fair game. Lieutenant Governor Mark Singel, a Democrat, has apologized for recommending, as head of the state's Board of Pardons, the release of Reginald McFadden, a convicted murderer who has since been charged with the rape and murder of a 78-year-old woman. Mr. Singel called the commutation last year "a decision I will regret for the rest of my life."

Canada to Let In Fewer Immigrants

By Anne Swardson
Washington Post Service

TORONTO — Canada has announced that it will accept fewer legal immigrants each year and overhaul immigration guidelines to give less emphasis to family members and more to those with marketable skills.

The action came in response to widespread sentiments that Canada, which accepts proportionately more immigrants than any other major industrial na-

tion, has become too generous to those who seek to come here.

The announcement marked a policy reversal for the governing Liberal Party of Prime Minister Jean Chrétien, who promised when he was campaigning just over a year ago that he would keep immigration at about 1 percent of population and give priority to the families of those already in Canada.

In announcing the new rules Tuesday, Immigration Minister

Sergio Marchi said 1995 immigration totals would not exceed 215,000, a decline from the 1994 ceiling of 250,000 legal immigrants. One percent of Canada's population would be about 290,000 immigrants.

Mr. Marchi said the plan did not mark a change of course because the government remained committed to keeping immigration at 1 percent of population "over a long period."

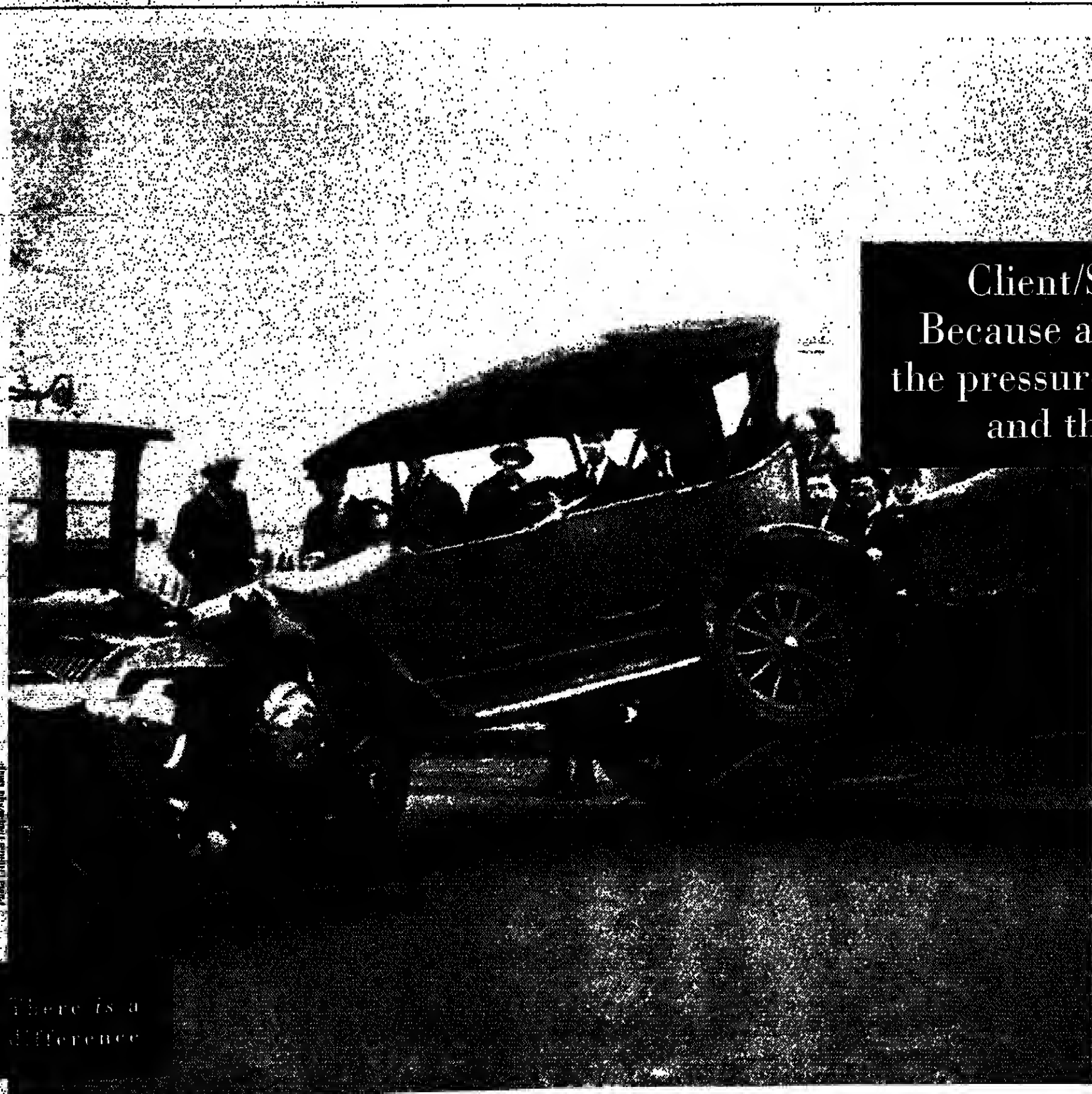
Away From Politics

• An "exciting" break in the weeklong search for two young kidnapped brothers was reported by the sheriff of Union, South Carolina, only to be abruptly withdrawn. "I am of the belief now that this is not going to affect our case," Sheriff Howard Wells said. He was referring to a phone tip from out of state about the missing children.

• A Marine drill sergeant shot himself after climbing onto a diving platform with a loaded M-16 rifle while 59 recruits awaited swimming instruction, military officials said in Parris Island, South Carolina. Investigators did not know what led Sergeant Richard Stumpf, 26, to take his life.

• Violence now rivals academics as the top concern of U.S. public schools, with shootings, stabbings and other serious assaults increasing in number and spreading from urban districts to suburbs and small towns, the National League of Cities reports.

• The NAACP has stopped paying most of its professional staff, board members of the civil rights organization said. The furlough took effect on Monday. Officials said they hoped it would last no more than a week or two. The National Association for the Advancement of Colored People is gripped by a financial crisis following accusations of financial abuses by some of its leaders. AP, AFP, LAT, NYT



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Paris Under Security Wrap as 3 Iranians Go on Trial

By William Drozdiak

Washington Post Service

PARIS — Fearing terrorist reprisals, France imposed some of its tightest security measures in years as the trial opened Wednesday of three Iranians charged with the assassination of Shahpur Bakhtiar, the Shah of Iran's last prime minister.

As sharpshooters stood on nearby rooftops and hundreds of police combed the area for hidden bombs, the suspects accused of slitting Mr. Bakhtiar's throat and draping him in a bloody sheet were ushered into the courtroom for the start of a monthlong trial that has heightened tension between Paris and Tehran.

The prosecution contends that Iran's security services orchestrated the killing of Mr. Bakhtiar and an aide three years ago in the Paris suburb of Suresnes. The Iranian government has denied any link with Mr. Bakhtiar's death.

The murder led to the cancellation of a trip to Tehran by President François Mitterrand.

Since then, Iran's chances for a rapprochement with the West have disintegrated amid escalating charges by the United States and other

Western nations that the Islamic fundamentalist regime continues to sponsor terrorist acts around the world.

The Bakhtiar case has attracted keen attention because of the personalities involved. The three suspects in the dock include Ali Vakil Rad, who is accused of slitting Mr. Bakhtiar's throat; Zeynol Abedin Sarhadi, a great-nephew of Iran's president, Hashemi Rafsanjani, who is accused of aiding his escape; and Massoud Hendi, a businessman and nephew of the late Ayatollah Ruhollah Khomeini, who is said to have provided logistical support.

In addition, six others are being tried in absentia, including suspected Iranian agents who have been linked to four different ministries in Tehran through telephone intercepts and other evidence accumulated by a French investigator, Jean-Louis Bruguière.

In recent days, Iran's government-controlled media has whipped up anti-French sentiment by attacking the French government's recent decision to expel Muslim schoolgirls from state schools if they persist in wearing headscarves as a sign of their religious devotion. In Tehran, hundreds of Iranian women have staged protests

outside the French Embassy in what officials in Paris believe is a blatant attempt at intimidation on the eve of the murder trial.

Wary about the dangers of a potential hostage crisis, the French Foreign Ministry issued a firm warning Wednesday reminding the Iranian government of its duty to protect diplomatic premises. France imposed a draconian security belt by setting up steel barriers to protect against car bombs near Iran's embassy in Paris.

Even though Mr. Bakhtiar was an avowed reformer who spent five years in jail under the shah, he was condemned to death by Ayatollah Khomeini and targeted for murder by Iran's mullahs when he escaped to France after serving only five weeks as head of Iran's last secular government.

A first hit squad bungled an assassination attempt against him in 1980 in the Paris suburb of Neuilly. A policeman and a woman bystander were killed, but the five commandos, led by Amis Naccache, were captured and given long prison sentences. Their subsequent liberation was a key demand by terrorists claiming responsibility for a wave of bomb attacks in Paris during 1985 and

1986 that killed 12 people and injured more than 300 others. After a long series of negotiations, Mr. Naccache was pardoned by Mr. Mitterrand in 1990 and put on a plane to Tehran.

But a year later, terrorists again struck at Mr. Bakhtiar and this time they succeeded. Faridoun Boyerahmadi, a Bakhtiar protégé who turned out to be a double agent working for the Iranians, gained entrance to Mr. Bakhtiar's highly guarded compound, accompanied by men who pretended to be supporters of his opposition movement.

Forty-eight hours later, Guy Bakhtiar, a French policeman entrusted with his father's security, found his body and that of his assistant, Sorouch Katibeh, drenched in blood with their throats cut. Mr. Boyerahmadi and other agents fled to Iran, but Mr. Rad was arrested in Geneva and extradited along with Mr. Sarhadi, a clerk in Iran's embassy in Bern.

Mr. Rad's testimony, French officials say, later led them to arrest Mr. Hendi, a former Iranian television correspondent in Paris. He was charged with complicity in the killings for providing fake passports and other material support to help those accused of the murder.

East Timor Growth Fails to Stem Dissent

A Battle for Hearts and Minds Goes On as War Winds Down

By Michael Richardson

International Herald Tribune

DILI, East Timor — In sweltering heat, several hundred students and staff from the East Timor University gathered the other day with friends, relatives and guests for a graduation ceremony under a makeshift plastic awning.

Before Indonesia invaded the Portuguese territory in 1975 and annexed it the following year, such a ceremony would not have been possible.

In 400 years of colonial rule, Portugal neglected to build a university or even develop a proper primary school system. Lisbon's legacy to East Timor was grinding poverty and underdevelopment.

Today, a reporter returning to the territory for the first time since Indonesia took over, finds impressive signs of development, not just in Dili but in small towns and parts of the countryside.

A network of all-weather roads has been built, along with bridges, schools, health clinics, electricity, village housing, fresh water wells and other facilities.

While Indonesia's armed forces may have faced about 7,000 Timorese guerrillas fighting under the banner of the Fretilin independence movement in 1975, there are probably no more than a few hundred still active. They are largely confined to remote areas and short of arms and ammunition.

Yet even among Timorese who originally supported integration in Indonesia, there is disillusionment with what is seen as heavy-handed control by the Indonesian military and the central government in Jakarta.

"My first choice was Apodeti, the party of integration," said a Timorese professional. "But not this kind of integration." Like others who were interviewed and said they feared possible reprisals from Indonesian security agents, he requested anonymity.

There is also widespread resentment among Timorese at what they see as domination of East Timor's economic and political development by non-Timorese.

The Indonesian Army and police in the territory are commanded by, and largely made up of, non-Timorese. Although the governor and most of the senior officials in the local administration are Timorese, the real decision-making power is in the hands of Jakarta and non-Timorese bureaucrats who staff the upper echelons of the central government ministries in East Timor.

Out of a total population of around 800,000, between 100,000 and 200,000 are non-Timorese and their number continues to increase.

The tension and mistrust between Timorese and non-Timorese is aggravated by cultural differences, particularly religion. Nearly all Timorese are Catholics while an overwhelming majority of the non-Timorese are Muslims or Protestants.

This latent tension burst into a London-based analyst at Citibank.

Mr. MacKinnon noted that for intervention to have a sustained effect "it needs to be coordinated, it needs to be backed by policy changes and it's got to catch the market short, which it's not."

Ron Leven, at J.P. Morgan & Co. in New York, said that Washington was "scared of the dollar collapsing."

Both analysts linked the decline in the intervention Wednesday to the failed trade talks. Talk in the exchange market has Japanese exporters heavily hedged for an exchange rate of 95 yen.

In Washington, Trade Representative Mickey Kantor said he expected "to move the ball forward" in bilateral talks with Japan's trade and foreign ministers at meetings next week.

the open in Dili in June and July when Timorese protests over alleged religious insults led to a clash with riot police, in which about a dozen students and young people were injured.

"There's a great feeling of disappointment," said a Timorese businessman. "Timorese used to be very divided. Today, they do not support Fretilin but they do support independence."

Some commanders, including a number of senior officers in Jakarta, evidently realize that although the Indonesian security forces are close to winning the military war in East Timor, they have failed to win the more important battle for the hearts and minds of the Timorese.

As part of an effort to improve discipline among Indonesian troops in the territory, a military spokesman said Tuesday that two soldiers, both Muslim, had been discharged from the army after a military court found them guilty of desecrating a Catholic church in East Timor in June.

Colonel K. Syahmaki, the newly appointed East Timor military commander, said in an interview that such incidents, although rare, would not be tolerated.

He said that of the eight battalions in East Timor, seven were engaged in civic action to improve the welfare of people through a variety of construction and training programs.

However, Colonel Syahmaki said that the success of the Indonesian education program had created a different kind of security problem: unemployment. About 4,000 Timorese who leave school each year end up jobless, according to Timorese officials.

Abilio José Osório Soares, the East Timor governor, said that the "very severe" unemployment problem should be solved by opening the territory more widely for investment and economic development.

He said that Indonesian military forces should continue to be withdrawn gradually and East Timor given "special status" as a territory within Indonesia.

Analysts said that the "special status" or autonomy proposal was under consideration in both Jakarta and Dili.

While human rights groups in the West continue to issue highly critical reports on the situation in East Timor, Western officials familiar with the operations of the International Committee of the Red Cross in the territory said that there had been some overall improvement in the past year.

However, Carlos Filipe Ximenes Belo, the outspoken Catholic bishop of Dili, said that Timorese had no freedom to speak or hold public meetings, and that there were still too many cases of arrests and beatings of Timorese by the military and police.

Although Indonesian officials strenuously deny such a plan, Bishop Belo said he suspected that Jakarta wanted to gradually "Indonesianize" East Timor.

Rats Eat Up The Savings of Russia Woman

The Associated Press

MOSCOW — An elderly villager lost nearly all her savings, about one million rubles (\$300), because rats ate the cash hoarded in the basement of her house.

The woman has been earning her living by making bootleg alcohol, the daily Komsomolskaya Pravda said Wednesday. "Having studied a variety of Russian state and commercial banks, the lady concluded that the safest place was her cellar," it said.

Komsomolskaya Pravda said doctors had to treat her for shock after the loss was discovered.

Bogotá Seeks to Outflank Drug Ruling

Officials Oppose Constitutional Court on Narcotics Use

New York Times Service

BOGOTÁ — The Colombian government will submit legislation to Congress that would modify the constitution to forbid drug consumption, which was legalized by a high court last May.

Vice President Humberto de la Calle said the government had decided to back away from its original proposal to hold a nationwide referendum on decriminalization of drug use because of the high costs of conducting the vote and because a referendum might be interpreted as a form of contempt for the court's ruling.

Colombians, long accustomed to constant judicial review and labyrinthine legisla-

tion, were only moderately surprised in May when the Constitutional Court ruled that making drug consumption a crime was unconstitutional. The court said it violated "the fundamental right that each person has to the free development of his personality."

The president at the time, César Gaviria Trujillo, said he disagreed with the ruling and called for either a referendum or a constitutional amendment that would limit the definition of fundamental rights.

In a nation where 97 percent of murders go unpunished, the court lashed back at Mr. Gaviria, accusing him of a lack of respect for the ruling and of demeaning the court.

Two and a half months later, the government issued a decree banning drug use in public places and forbidding consumption by minors, pregnant women and government employees.

Colombia is said to be the world's largest cocaine exporter, but domestic drug consumption is believed to be low. In an anonymous poll of 305 people conducted by the newspaper El Tiempo in May, more than 90 percent said they had never used illicit drugs.

Estimates by the National Drug Council show that drug consumption has increased only moderately since the ruling in May.



The Guardian editor outside Parliament on Wednesday.

SLEAZE: Case of the Fake Fax

Continued from Page 1

with charges that he personally paid members of Parliament to raise questions helpful to his business interests during the House of Commons' traditional "question period."

In order to protect Mr. Fayed and the hotel from possible charges that they were releasing private information, however, Peter Preston, editor of The Guardian, authorized the fake fax.

Specifically, he said in an interview, the paper took a letter it had received earlier from Mr. Aitken, the MP, and altered it to appear to be a request from an Aitken aide on parliamentary letterhead for a copy of the Ritz bill. They then faxed it to the Ritz. Mr. Fayed — now assured that it would appear that Mr. Aitken, not a newspaper, was seeking the copy — made sure the bill was sent.

It was easy for Mr. Aitken to figure all this out: The return

fax number on his letterhead was not his, but The Guardian's. It was easy to figure it out and be did. When the story became public this week, the House of Commons jumped on it with relish.

The prime minister, battered by "sleaze" charges for more than a year, lashed out at The Guardian for "stooping to the standard that 'the end justifies any means.'"

"Systematic deception, fraud and collusion is most certainly not what we expect from a free press," he declared Tuesday in the House of Commons.

The speaker called for an emergency debate, which went on for three hours Wednesday, on a motion to refer The Guardian and Mr. Preston to a special Commons committee for investigation and perhaps sanction, theoretically ranging from jail to a dressing down to nothing at all. The motion passed, 313 to 38.

That debate became a noisy argument about just where the offense stood on the scale of indignation: Conservatives presented it as a heinous crime, "a forgery," a "conspiracy," a "collusion" requiring criminal sanction.

Opposition labor members, who regard The Guardian as a friend, while not condoning Mr. Preston's technique, downplayed its seriousness. It was, said one, a "mere misuse of stationery."

As for Mr. Preston, he has spent the last few days explaining himself, both in interviews in his paper and in a letter of resignation to Britain's Press Complaints Commission, a press watchdog committee composed largely of members of the press. Mr. Preston said he was resigning to prevent "collateral damage" to the commission.

MONEY: Casablanca Business Summit Heralds New Mideast Imperative

Continued from Page 1

go forward, then both donors and recipients will have to work hard to ensure that the money flow is complemented by increased trade and private-sector investment, fiscal discipline and the kinds of structural reforms that lead to more open markets. And in the future — the present Algeria civil war notwithstanding — the greatest threat to economic growth in the region may no longer be war but the ability and will of governments to carry out the kind of reform programs that have worked in regions such as Latin America and parts of Eastern Europe.

On the plus side of the ledger are some truly ambitious aid proposals:

• In December, leaders of EU member nations will discuss a plan to more than double aid to the region, to about \$7 billion over the next five years, and to pursue an expanded free-trade zone that would bridge the Mediterranean.

• Caio Koch-Weser, the World Bank's vice president for the region, said Wednesday that his institution "stands ready to double" its lending to the Middle East and North Africa, to \$3 billion a year. The World Bank has already taken the lead in coordinating \$2.4 billion of donations for the West Bank and the Gaza Strip.

• Aid from Washington to the region, including debt forgiveness, is likely to rise over the next few years. Excluding military assistance, U.S. aid this year to Israel is \$1.8 billion and to Egypt \$800 million.

Jordan, which has won substantial debt forgiveness from Washington, is also likely to benefit.

The European Union's aid proposal, while couched in economic terms, "is first and foremost an instrument of security policy," according to Peter Ludlow, director of the Center for European Policy Studies in Brussels. Mr. Ludlow noted that the EU was worried about future waves of immigration from North Africa and the specter of "instability which could endanger investments or lead to conflict in the region which could spill over."

The United States, given its central role in the Middle East peace process and its interest in oil, is clearly keen to help spur economic growth in the region for strategic reasons. But American business is also interested in investment opportunities, and more than one European commentator noticed that there were far more American than European corporate executives present in Casablanca.

The United States, together with Israel, is pressing, meanwhile, for the establishment of a development bank for the region. Although some Gulf states, led by Saudi Arabia, objected to the idea of a new development bank, the Casablanca conference did agree to go ahead with a working group.

Lawrence Summers, the Treasury undersecretary, stressed in an interview Wednesday that a development bank would have to provide much-needed k.o.-how and help build institutions rather than simply hand out loan aid.

"The challenge for the region is building a strong private sector that exploits the region's economic potential," Mr. Summers said. "That's partially a matter of helping businesses, and also a matter of providing infrastructure in which markets can operate."

The prospect of as much as \$30 billion of government and multilateral aid flowing to the region between now and the year 2000, meanwhile, raises a host of questions — such as how much can be absorbed, how quickly infrastructure projects can go forward and to what degree governments will be able to match aid programs with fiscal discipline, deregulation of hitherto centralized economies and even privatization programs.

The amount of aid pales, however, when compared with the estimated \$150 billion to \$200 billion of private-sector assets that nationals from the region now hold in international money markets. Obviously, not all that money is going to return to the region, but convincing growth policies over the next few years could lure back a substantial portion.

Less encouraging are the economics of a region whose average per capita income growth, in the countries that do not produce oil, fluctuates between stagnation and 1 percent a year during the whole of the 1980s. And the members of the Organization of Petroleum Exporting Countries in the region have seen their revenues decline along with the price of crude.

TEXAS: Richards Tries Good Ol' Girl Politics in Race for Governorship

Continued from Page 1

you come home and, man, it's like a house afire. You run in there and you get that piece of meat and you salt it and season it and get it ready to put in the broiler. And you toss the salad and put the beans and potatoes on the stove. You want it to all be nice and hot when he gets home.

"And the phone doesn't ring. The beans get cold. The potatoes get soggy. You're scurrying and scurrying and doing your damndest. And when he finally comes home, he tells you he's already eaten. In this case, off a silver platter," said the Texas governor who came to national attention with her 1988 convention quip that Bush père was born with a silver foot in his mouth.

As the women yell "That's right!" she wraps up her metaphor of George W. Bush as ungrateful, henpecking husband, noting scornfully, "And you want to say to him, 'Where were you when the work was being done?' We can make all the jokes that we want that George Bush never was around when any decision was made, it looks like about anything."

Ms. Richards argues that Mr. Bush's record as a businessman does not qualify him to be governor. She charges, in a commercial, that the businesses with

which he was affiliated lost \$371 million.

"This guy's bounded me on every possible issue you can think of, most of it distorted," she says, defending her decision to go negative. Referring to her opponent's lack of experience, she adds: "If you've got the bucks to buy the TV, you can be credible because you can make stuff up. Who's to doubt it?"

The Bush campaign spokesman in Austin, Reggie Bashur, retorts: "George W. Bush has a very good business record. What is curious is that in the final days of this campaign, Governor Richards has nothing to say about her own record in office."

In the beginning, Ms. Richards and her advisers believed that it would not be so hard to dispatch with the eldest Bush son. They laughingly called him "the Shrub."

But the governor soon found herself in the same backlash of voter disgust that affected other liberal stars with long records of public service, like Governor Mario M. Cuomo of New York and Senator Dianne Feinstein of California.

Mr. Bush, described by the author Richard Ben Cramer as "the Roman candle of the family — bright, hot, a sparkler — and likeliest to burn the fingers," has run a polished campaign without any of the

flashes of pettiness and temper he was known for when his father was president.

Instead, it was Ms. Richards who was accused of speaking rashly when she talked, in general terms, during a speech about building up a record and then having "some jerk" come in and belittle it.

"What really irritated me about that is I didn't even call him a jerk," she said as her campaign jet headed home to Austin.

"I think we've reached a point in our politics when we don't have any fun anymore and it really bothers me a lot," she said. "Everybody takes everything you say literally and they examine it with a microscope and hang it out and see how long it takes to dry. We've wrung all of the personality out of our candidates, and they've lost their verve in the process."

She says that, as a woman, she has to be careful not to let her tongue get too sharp. While she can flirt with a local politician one minute and the next talk tough about setting time limits on death row appeals, she is not as conservative as Mr. Bush.

And that contributes to one of the worst gender gaps in the country. A recent Texas Poll showed Ms. Richards leading by 12 points among women, but trailing by 17 points among men.

Potsdam Offers Jewish Studies

The Associated Press

POTSDAM, Germany — Germany's first Jewish studies program was inaugurated Wednesday at Potsdam University in this eastern state capital.

The program, directed by Karl Groszinger, called the occasion "a milestone in the history of German higher education" during a ceremony at the university, which was reconstructed after East Germany's dissolution.

Until now, students at German universities could only study Jewish themes in conjunction with religious studies. The new program is modeled on degree programs at American and Israeli universities.

DOLLAR: Slide Stopped by Fed

Continued from Page 1

can living standards and promote investment."

"We will continue to monitor developments closely in cooperation with our G-7 partners," he added.

In Frankfurt, Hans Tietmeyer, president of the Bundesbank, welcomed the Fed's clear interest in a strong dollar, a spokesman told Reuters.

The sentiment was echoed in Paris, where Economy Minister Edmond Alphandery said that the intervention showed that U.S. authorities believed the currency should be stronger.

Analysts said trading before the intervention had not been especially heavy, nor had it been disorderly.

"They're just trying to buy time and not necessarily aiming at trying to turn the dollar around," said Neil MacKinnon,

a London-based analyst at Citibank.

Mr. MacKinnon noted that for intervention to have a sustained effect "it needs to be coordinated, it needs to be backed by policy changes and it's got to catch the market short, which it's not."

Ron Leven, at J.P. Morgan & Co. in New York, said that Washington was "scared of the dollar collapsing."


Both analysts linked the decline in the intervention Wednesday to the failed trade talks. Talk in the exchange market has Japanese exporters heavily hedged for an exchange rate of 95 yen.

In Washington, Trade Representative Mickey Kantor said he expected "to move the ball forward" in bilateral talks with Japan's trade and foreign ministers at meetings next week.

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Antigua (pay phone)	1-800-364-6643	Denmark	800-1-0877	Japan (Japanese)	0066-55-888	Philippines (PhilCom) A	103-611	United Kingdom	1-800-877-8000
Argentina	001-800-777-1111	Dominican Republic	171	Korea	0082-12	Philippines (PLDT)	105-16	Uruguay	0050-111
Australia	001-800-777-1111	Ecuador	00593-111	Korea (Korea)	0082-13	Poland	0048-22-111	Uzbekistan	1-800-877-8000
Australia (Open)	008-511-110	Egypt (Cairo)	0020-236-4777	Korea (Korea)	0082-13	Portugal	00351-21-111	Various Arab Emirates	800-111
Australia (Telstra)	1-800-481-477	Egypt (all other)	0020-236-4777	Kuwait	00965-777	Puerto Rico	001-800-0877	Various Kingdom (BT)	0900-89-0877
Austria	0043-111-111	El Salvador	00503-111	Madagascar	00262-111	Russia (Moscow)	007-495-111	Various Kingdom (Maveray)	0000-89-0877
Bahamas	1-800-338-2111	Finland	00358-111	Malaysia	0060-111	Russia (other cities)	007-495-111	Uruguay	000417
Barbados	1-800-877-8000	France	0033-111	Mexico	0052-111	Sweden	0046-111	Various City	172-1877
Belize	00501-111	Germany	0049-111	Mexico (Mexico City)	0052-55-111	Switzerland	0041-111	Venezuela (English)	800-111-110
Belize (Paytel)	556	Ghana	00233-111	Morocco	00212-111	Taiwan	00886-111	Venezuela (Spanish)	800-1111-1
Bermuda	1-800-223-0877	Greece	0030-111	Nicaragua	00505-111	Telcel and Telcel +	0052-55-111		
Bolivia	00591-111	Honduras	00502-111	Norway	0047-111	Thailand	0066-111		
Brazil	0055-111	Hong Kong	00852-111	Paraguay	00595-111	Thailand (Bangkok)	0066-111		
British Virgin Is.	1-800-877-8000	Hong Kong (Kowloon)	00852-111	Peru	0051-111	Thailand (other cities)	0066-111		
Bulgaria	00359-111	Hungary	0036-111	Philippines	0063-111	Thailand (other cities)	0066-111		
Canada	1-800-477-8000	India	0091-111	Poland	0048-111	Thailand (other cities)	0066-111		
Chile	0056-111	Indonesia	0062-111	Portugal	00351-111	Thailand (other cities)	0066-111		
China (English)	0086-111								
China (Mandarin)	0086-111								
Colombia (English)	0051-111-111								
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Sihanouk Warns Tourists to Avoid Cambodia

(Compiled by Our Staff From Dispatches)

PHNOM PENH — Cambodia's head of state warned tourists to avoid his country as the bodies of three Western hostages killed by Khmer Rouge rebels were recovered from graves found near a southern rebel base on Wednesday.

King Norodom Sihanouk, saying Cambodia is "clearly in a state of emergency," joined foreign embassies in advising tourists to avoid Cambodia, shortly before the bodies were recovered at Vine Mountain, 150 kilometers (93 miles) south of Phnom Penh.

"I condemn with the greatest severity the contemptible and unpardonable murderers who are responsible for the deaths of these three young gentlemen," King Sihanouk said.

The three — Mark Slater, 28, a Briton; Jean-Michel Braquet, 27, a Frenchman; and David Wilson, 29, an Australian — were taken hostage by the Khmer Rouge in a train ambush in southern Cambodia on July 26.

They and three Vietnamese and an unknown number of Cambodians were marched to nearby Vine Mountain at gunpoint. The three Vietnamese and two Cambodians are also believed to have been executed.

The bodies of the Western hostages were being taken to



Soldiers on Wednesday guarding hospital where bodies of slain hostages were taken.

Phnom Penh on Wednesday night. Their deaths had been confirmed by the Cambodian government on Tuesday.

Information Minister Ieng Mouly said Wednesday the Westerners' bodies were found in three graves, about one kilometer from the Vine Mountain base once held by General

Noun Paet and the Khmer Rouge. General Paet, said to have ordered their execution in September, escaped the base after it was overrun by troops last week.

A senior Cambodian Army officer said Wednesday that the Westerners were bound with rope and shot at close range.

Embassy officials from Australia, France and Britain, traveling in armored cars, visited the graves on Wednesday to help identify the badly decomposed bodies.

The Cambodian government has said the bodies are certainly the Westerners' remains, but Australia's ambassador to Phnom Penh, Tony Kevin, said

forensic tests needed to be performed in the capital to put the identities beyond doubt.

Meanwhile, a provincial official said Wednesday that Khmer Rouge guerrillas last week kidnapped 71 villagers in a northwest province and executed 50 of them after a four-day forced march.

Seventy-one villagers from Kdol Taken who went into the jungle to cut bamboo were taken hostage on Oct. 22 by about 20 Khmer Rouge guerrillas, according to Serey Kosal, the Battambang Province deputy governor.

The deaths of the three tourists was the second tragedy involving Western hostages this year. In September, the remains of an Australian and two British hostages were found. The discovery evoked angry reactions from inside and outside the country.

The U.S. Embassy in Phnom Penh condemned what it called the "brutal murder by the Khmer Rouge of three innocent tourists." Mr. Kevin, the Australian ambassador, called on the Cambodian government to spare no effort to find the murderers.

Mr. Kevin said the bodies would be repatriated quickly so that "the families can mourn them privately and properly." (Reuters, AP)

Japan Adopts Electoral Reform

New York Times Service

TOKYO — After more than four years of battling, the lower house of Parliament adopted final legislation on Wednesday creating a new electoral system and tougher campaign financing laws, part of a long promised effort to clean up Japan's politics.

Passage of the bills, which included detailed outlines of the 300 new electoral districts, means that the bitterly contested laws can take effect in December.

As a result, it is certain that the next parliamentary elections will be held under the new system, and thus could profoundly alter the balance of power in the Parliament and further realign the battered party system.

The three bills finalized Wednesday were passed in outline in January. The laws will

transform the election system from one in which from three to six representatives are elected for each district to one in which a single representative will be elected from each district. There will also be 200 representatives elected from party lineups. Overall, that will reduce the size of the lower house of Parliament to 550 seats, from 511.

The laws will also restrict the amounts corporations can donate to campaigns and levy heavier penalties against those who violate the financing laws. Another provision will provide for partial public financing of election campaigns.

It is widely expected that the new system will reduce the number of parties represented in Parliament and eventually create a two-party system.

Parties Agree on Atom Bomb Compensation

Agence France-Press

TOKYO — The Japanese Parliament's coalition partners reached agreement Wednesday on a measure that would compensate victims of the 1945 atomic bombings.

The bill calls on the government to pay 100,000 yen (\$1,000) in one-time compensation to a person who was injured or lost family members in the atomic bombings.

Under the measure, which is expected to become law in the current session of Parliament, at least 230,000 people will receive compensation, officials said.

The decision averted a potential government crisis, since a failure in the negotiations could have weakened the power base of Prime Minister Tomichi Murayama's coalition cabinet.

The agreement was reached between the Liberal Democratic Party, the Social Democratic Party and the Japan New Party Sakigake.

Hiroshima and Nagasaki were devastated by U.S. atomic bombs in the closing stages of World War II.

There had been a wide gap in positions over the scope of compensation in several rounds of talks among the three parties. But an official with the Liberal Democrats said the party had reached a compromise with the Social Democrats to maintain the coalition, which was formed in late June.

The chief cabinet secretary, Koza Igarashi, said that Korean residents in Japan who suffered in the atomic bombings would also receive compensation.

Kidnapping in India Is Laid to Separatists

Delhi Police Hold Pakistani

(Compiled by Our Staff From Dispatches)

NEW DELHI — Separatist Kashmiri rebels trained in Pakistan organized the kidnapping of an American tourist and three Britons in New Delhi earlier this week, officials said Wednesday.

A Pakistani national from Karachi was arrested Tuesday in a New Delhi neighborhood and provided the police with details of the conspiracy, Police Chief Mukund Behari Kaushal said. A search continues for three accomplices.

The man, who gave his name as Mohammed Nazir Khan, during a brief court appearance Wednesday, was arrested following the dramatic rescue of the four tourists. Mr. Khan was remanded in custody for two weeks on kidnapping and explosives offenses and faces a minimum 10 years in jail if convicted.

Mr. Kaushal said at a news conference that Mr. Khan confessed he was a member of Harkatul Ansar, which India says is a Pakistan-backed Kashmiri Muslim group involved in another kidnapping, that of two Britons in Kashmir in June.

"We have seized documents with lots of Pakistani telephone numbers," Mr. Kaushal said.

Mr. Khan revealed he was trained in Muzaffarabad, capital of the one-third of Kashmir under Pakistani rule, and the town of Khos in Afghanistan, police officials said.

They said he slipped illegally into India across the border from Pakistan in August and

linked up with Muslim separatists fighting Delhi's rule of Jammu and Kashmir, India's only Muslim-majority state.

The American and the Britons were the first Westerners taken hostage in New Delhi since the armed Muslim uprising began in the northern state of Kashmir five years ago. More than 9,500 people have been killed there.

Bela Nuss of San Francisco was freed by the police Monday and provided information that led to a house 145 kilometers (90 miles) north of the capital where the Britons were being held. The Britons were freed Tuesday after a gun battle in which two policemen and a kidnapper were killed. The police said three militants escaped during the shoot-out. At least one was a Pakistani, Mr. Kaushal said.

A previously unheard of Kashmiri militant group called Al-Hadid claimed responsibility. Police said Harkatul Ansar was a part of Al-Hadid, which is based in Afghanistan.

Meanwhile, a leading Kashmiri Muslim separatist leader has offered to end the insurgency if India provides concrete assurances that it will hold a plebiscite on the future of the disputed state.

"If India at this point of time assures the international community that it will hold a plebiscite in Kashmir, we are willing to give up arms," Shabir Ahmed Shah was quoted as saying in Srinagar.

(AP, Reuters, AFP)

China Accepts Role In North Korea Pact

The Associated Press

SEOUL — China promised Wednesday to help with a U.S.-brokered accord aimed at putting controls on North Korea's nuclear program, South Korean officials said.

Foreign Minister Qian Qichen of China, meeting with the South Korean foreign minister, Han Sang Joo, also asserted the nuclear issue could not be fully resolved without dialogue between the two Koreas, they said. Mr. Qian was accompanying Prime Minister Li Peng on an official visit.

A South Korean Foreign Ministry spokesman, referring to the nuclear accord, quoted Mr. Qian as telling Mr. Han, "Since the agreement was reached, how to implement it is what's important."

Mr. Qian was responding to Mr. Han's request for Beijing's help in ensuring that North Ko-

rea abide by its promise to dismantle its nuclear facilities, and for China's aid in improving inter-Korean relations. China is North Korea's only remaining major Communist ally.

Despite its denials, North Korea is suspected of having a nuclear weapons program. It agreed last month to freeze and eventually dismantle its nuclear facilities.

In turn, the United States has promised to provide economic aid and diplomatic links. The deal calls for two light-water reactors, worth \$4 billion, to be provided to the North to replace its aged graphite-moderated reactors. The newer reactors are less useful in obtaining bomb-grade plutonium.

Mr. Han welcomed China's participation in an international consortium to provide the new reactors and dismantle the old ones.

10 Tourists Killed, 3 Missing In Copter Crash off Yucatan

The Associated Press

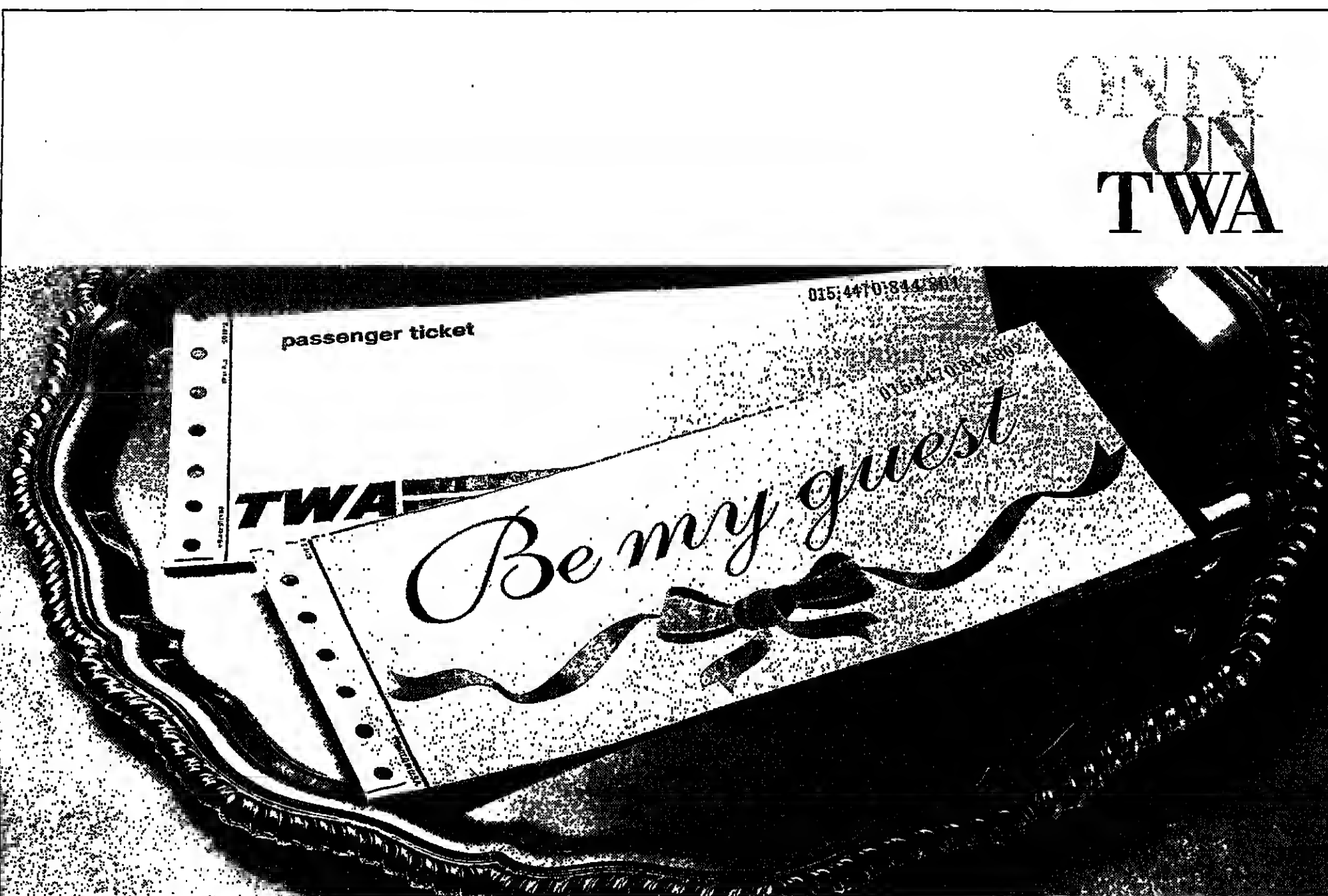
COZUMEL, Mexico — A helicopter carrying 12 American tourists and an Italian radioed about a mechanical failure moments before plunging into the sea off this Mexican island resort, authorities said Wednesday.

The bodies of 10 tourists and the Mexican pilot were recovered shortly after the helicopter went down Tuesday afternoon. Three other tourists were miss-

ing and presumed dead, U.S. consular officials said.

The helicopter was flying back to a cruise ship from Mexico's Yucatan Peninsula along with another Bell 212 helicopter when it went down in the Caribbean, the police said. The other helicopter landed safely.

Brian Wilson, a volunteer involved in the search, said the helicopter reported mechanical failure shortly before it plunged into the sea.



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New York Times Service

Ministry of Public Works.

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By Bill Keller

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There was no indication which of many government assets would be sold. During

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The Associated Press

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1. *Journal of the American Medical Association*, 1997; 277: 1033-1038.

Herald Tribune

Published With The New York Times and The Washington Post

China After the Emperor

In a Communist state one point of deep vulnerability is the recurrent crisis of succession. It is like the politics of an absolute monarchy in which everything depends on who inherits the throne. But, unlike a monarchy, China's rules of inheritance are always in contention. Deng Xiaoping, who has held the ultimate power in China for 16 years, is now slowly dying. His grip has failed to a point at which open competition has broken out among the many factions vying to name his successor.

The key question for the Chinese is whether the economic reforms will continue under the next emperor. It was Mr. Deng who relaxed the central government's control over economic life and began to move the country toward open markets. The results have been spectacular. Since 1980, according to the World Bank, the country's output has been rising by more than 9 percent a year—three times the worldwide average, and a rate slightly better than Japan's in the steepest phase of its ascent a generation ago.

Rapid growth imposes fierce strains on any society and inevitably threatens the existing distribution of power. Not everyone in the Communist leadership welcomes it. But you have to be skeptical about the proposition, incautiously taken for granted by many Americans, that

open markets will quickly and directly bring political democracy. Two smaller Asian countries, South Korea and Taiwan, grew rich under highly authoritarian governments and only very recently have begun to turn convincingly toward democracy. The pressures for more open government in China are substantial, but whether they will triumph in this decade, or even in this generation, is no more easily predictable than anything else about the coming succession.

China's brilliant progress toward greater prosperity is often contrasted with the current turbulence and instability in Russia. But Russia has one important advantage. In abandoning one-party rule and taking that crucial step toward democracy, it has begun to develop a style of government that will probably prove better suited than China's to riding through the enormous social dislocations and stresses that both countries are encountering.

In choosing China's next emperor, the Communist Party, which is by no means of one mind on the subject, faces a dire choice. Maintaining traditional political control means much slower growth, just as continued fast growth requires a further relaxation of control. That is the choice around which Chinese politics now revolves.

—THE WASHINGTON POST.

Exploiting Honest Grief

Families of murder victims have heartbreaking stories to tell, but candidates for political office all over America are displaying a distasteful tendency to exploit these stories for their own benefit. This is a shameful new form of victim abuse. The shame is compounded when the politician fraudulently uses a family's bereavement to argue for the death penalty and to depict an opponent as soft on crime.

Take the Florida commercial in which Jeb Bush, running for governor, attacks the incumbent, Lawton Chiles. It shows the mother of a 10-year-old murder victim, Elisa Nelson, who says that Larry Mann, convicted of Elisa's killing 14 years ago, "is still on death row and we're still waiting for justice." She adds: "We won't get it from Lawton Chiles because he's too liberal on crime."

The complaint is that Mr. Chiles has not signed a new death warrant to replace the expired warrant signed in 1986. But signing a new warrant would not speed the execution, since, as the governor explains, the case is still on appeal in the courts. This, then, is a bad rap on Mr. Chiles even among those who lust for executions, since eight killers have been executed during his term.

New Yorkers have been exposed to a similar case of false packaging. Attacking Governor Mario Cuomo's opposition to the death penalty, the Republican challenger George Pataki's campaign produced an ad that blamed a particular murder on Mr. Cuomo's allegedly soft

parole policies. On camera is Carol McCauliff of Red Hook, Brooklyn, describing the murder of her son. "I blame it all on Cuomo and his policies," she says, adding: "Cuomo does not care about the victims of crime. He cares about the criminals." Yet state records show that the killer, although he had been paroled, was not on parole at the time of the crime. His full sentence had ended before the murder, so he would have been free in any event.

Not all victim families agitate for the death penalty, and one Cuomo ad makes a worthy point about an effective but largely ignored way to decrease murders. The ad features one victim and a relative of two other victims in the shootings on the Long Island Rail Road last December. Carolyn McCarthy, whose husband was killed and whose son was partly paralyzed, argues not for capital punishment but for a state ban on assault weapons that the governor seeks. "He's been fighting so hard to get this bill passed," Ms. McCarthy says. "I don't understand why the Republicans—and I'm a Republican, and this really hurts—they're fighting this."

The grief and anger of family members in the death penalty case is real, but its exploitation is cynical and unworthy. Most of the ads insult the intelligence of viewers, and some of them are plain wrong as to the facts. Viewers cannot stop the tawdry show, but they can change channels.

—THE NEW YORK TIMES.

Gentlemen All

On one of the Sunday morning interview shows, presidential adviser George Stephanopoulos referred several times to the person charged with firing a semiautomatic rifle at the White House as the "gentleman." That would seem an odd use of the word, but oddly enough it isn't anymore. The term is regularly employed these days by police officers and law enforcement spokesmen to describe suspected bank robbers, housebreakers, homicidal maniacs and carjackers they have nabbed, as well as whatever free-ranging felons they might be tracking at the moment. ("The gentleman was last seen wearing a ski mask and firing at random from a pickup truck on I-63.")

Our dictionary has a number of definitions for "gentleman." The first is "a man of good family, breeding or social position." Among the others are "a civilized, educated, sensitive, or well-mannered man" (No. 4) and "a male attendant upon a king, queen or other royal person" (No. 6). None seems to exactly fit the category of violent criminal.

It is possible that the transformation of suspects into gentlemen (assuming

that it isn't just a case of the police being sarcastic) is part of the trend toward a more expansive view of due process, which has been a matter of continuing concern ever since Sergeant Joe Friday started advising suspects of their Miranda rights. Thus, a defendant might be entitled not only to a lawyer and the presumption of innocence but to the supposition that he could be just as well a fine fellow and a civilized, educated, well-mannered pillar of the community at least until his trial, after which he may be known as an ax murderer.

Eventually, the dictionary will probably have to bow to current usage and add a new definition, something on the order of: "any male person not actually convicted of a serious crime or whose conviction was not overturned on appeal." Purists will blanch, but the American electorate, in its current sour mood, would probably consider it quite appropriate if the new line were inserted right after definition No. 8 as it now appears in the dictionary: gentleman — "a male member of the U.S. Congress."

—THE WASHINGTON POST.

Other Comment

North Korea: Building Trust

We have had objectives through these 16 months of negotiations that were pretty clear. Overall, we've characterized them as a nuclear-free Korean Peninsula, but the subject to that was to deal with problems which we can roughly characterize as problems that relate to the past activity of the North Koreans, the current nuclear program and the direction

that the program was headed in the future. And we think the framework document that we negotiated addresses all three of these areas of their program.

The agreement is not, as the president said, based on trust. Maybe it'll produce trust, but it's not based on trust. It's based on verified compliance. And we'll be watching all along the way.

—Robert Gallucci, chief U.S. negotiator, as quoted by The Washington Post.

Japan's Anti-War Constitution Was and Remains Wise

By Gregory Clark

TOKYO — Calls for Japan, as an aspiring permanent member of the UN Security Council, to play a more active role in United Nations military activities are dangerous. They ignore the anti-war clause in Japan's constitution. Worse, they ignore the reasons why the Allied powers, the United States especially, insisted on that clause in the first place.

In 1945, the Allies accepted that militaristic Japan was not quite in the same category as Nazi Germany. Important elements in Japan had tried to counter the militarists. To some extent Japanese aggressions were moves to counter earlier Western expansion into Asia. So Japan was allowed to retain its emperor system, and purges of top Japanese were not as thorough as they might have been.

The war had also revealed the complete inability of the Japanese government to control its military, and the emotional case with which the Japanese people could be led into all manner of hysterical militaristic excess once the military did gain control.

It was for these good reasons that Japan, unlike Germany, was forced by its postwar constitution to "forever renounce war as a sovereign right of the nation and the threat or use of force as a means of settling international disputes."

Nothing has happened since 1945 to change those reasons. The Japanese are still a highly emotional people — witness the recent land and share booms, for example. And as in the past, the government is still unable to control its ministries.

In Japan's tribally cellular society, groups put their own interests, survival and expansion ahead of all else. If rival groups compete there is a kind of rough control, but without competition the cells expand canercously, to the point where they can easily dominate the entire body politic. That is what happened with the prewar military. It could happen again.

Even in postwar, pacifist Japan it is taken for granted that the military can

impose total loyalty and indoctrination on its members; that, after all, is what other groups do to guarantee their existence. Most also accept that the military is entitled to boost its prestige and morale. Every move to send forces abroad for peacekeeping operations and other purposes, even a few minesweepers into the Gulf, is used for heavy chest-puffing publicity, calls on the prime minister and patriotic flag-waving.

Japan is at a crucial evolutionary stage. The "tribal" political factions and parties are gradually merging into Western-style parties. A key issue is whether the anti-war constitution should be revised to allow Japan to play a more activist military role in the United Nations etc.

The Socialists and liberal elements from the formerly dominant Liberal Democratic Party or elsewhere are gradually forcing themselves into a pro-constitution, anti-activist bloc. Others, centered on the former LDP power broker Ichiro Ozawa, use the banner of national reform to push in the opposite direction.

The West could influence the outcome of this struggle. Out of ignorance and misplaced zeal, the Western media have backed Mr. Ozawa's activism and pook-pooed the current Socialist/LDP coalition government. The media should do more homework.

Meanwhile, Tokyo should be encouraged to stick to its low-profile policies in the United Nations and elsewhere. Japan has in the past pushed hard for nuclear disarmament. It was being the establishment of a United Nations register of all arms sales. It could go one stage further: propose that future UN military spending be met mainly by the nations that profited from those arms sales.

Many in Asia are less than happy to see the Japanese military flexing muscle. Mr. Ozawa has gained much favorable publicity in the West over his call for Japan to behave as an "ordinary" nation in world affairs. Japan is not an ordinary nation. The West had the wisdom to know this in 1945. It should keep to that wisdom.

International Herald Tribune.

Iraq: When Clear Conditions Are Met, Embargoes Should Be Lifted

By Alain Juppé

The writer is foreign minister of France.

PARIS — After four years of a strict embargo and at a time when there were signs of progress toward the lifting of sanctions on its oil exports, Baghdad, flying in the face of all logic, indulged in an irresponsible provocation by moving three elite divisions south toward the border with Kuwait. Why do such a thing?

As a protest against the maintenance of a tough sanctions regime prohibiting Iraq, defeated in 1991, from exporting its oil and importing the goods it needs? As a concession to the military, which has doubts about its leader's determination? As a desperate move to divert attention by a leader whose people are suffering for reasons they no longer understand?

And should this strategic mistake, which seems to prove right all those who see Saddam Hussein's Iraq as a permanent threat, lead us to increase Baghdad's isolation and forever deny it any reintegration into the international community?

France does not believe in the inevitability of confrontation and war, but, rather, seeks a peaceful alternative.

With this in mind, we again insist that Iraq comply with all the obligations imposed on it by the UN Security Council resolutions. If Baghdad takes this path, the international community

should respond to positive acts on its part in order to convince Iraq that it is clearly in its interest to choose cooperation and not confrontation.

Some obligations have already been carried out: elimination of a large proportion of the nuclear, ballistic and chemical weapons of mass destruction, and satisfaction of the UN Special Commission. But the ball remains today in Iraq's court.

Baghdad must go further and recognize without ambiguity and haggling, Kuwait's sovereignty and the inviolability of the Iraq-Kuwait border. It must act clearly

and stop merely expressing laudable intentions. It must prevaricate no longer. It must cooperate fully. It has, moreover, no choice. Desperate moves to avert attention will not work.

None of the states in the region which I have just visited — Kuwait, Qatar, the United Arab Emirates and Oman — wants too long a banishment of Iraq, since it can contribute to the stability of a region facing manifold threats. No one wants the dismantling of Iraq, or seriously argues that Baghdad's return to the oil market carries risks of economic destabilization. And no body is adopting a Manichaean attitude tying normalization to the departure of Saddam Hussein, even though many continue

to consider him unpredictable and unreliable.

To move forward now, Iraq must prove its peaceful intentions. It must show its willingness to cooperate over the fate of the Kuwaiti prisoners and missing persons and respect the rights of the Kurdish and Shiite minorities who live on Iraqi soil. Baghdad's full and wholehearted recognition of Kuwait is indispensable and non-negotiable. That would be a new and major development that we would have to take into account.

Today, France wants to reinforce the regional realism of the Gulf countries, not only by solidly standing by them, but also by offering Iraq a clear prospect of emerging from the crisis. Peace in the Gulf is not beyond reach.

Beyond what is at stake at the regional level, the Iraqi crisis can prompt more general reflections on the United Nations' use of sanctions.

Let us be clear about this: the reintroduction of a state subjected to sanctions into the international community is not negotiable. It cannot give rise to any haggling. France's message to all those responsible for the sufferings caused to their peoples by embargoes is simple: Fulfill the obligations that the world is asking you to honor, and the sanctions affecting you will be lifted.

But it is incumbent on the democracies to be clear about their demands, with regard not only to Iraq but also to Libya, Serbia and Haiti. Having the courage of clarity is our strongest asset. Ambiguity only detracts from the force of the message and the warnings addressed to these countries, while giving the governments targeted by these measures pretexts for evading their obligations.

France is not in favor of increasing the number of embargoes, still less when they are unilateral. The imposition of sanctions on states which flout international law is a very grave step, which must remain exceptional.

It is time the international community established a doctrine that can be clearly understood by everybody. Imposition of sanctions must remain a prerogative of the Security Council. France considers that the purpose of these measures must be precisely defined — to put pressure on a given government and make it change its attitude.

So I suggest that the democracies establish the ground rules even more clearly.

The adoption of a resolution imposing sanctions on a member state should, in the future, comply with three conditions: that all other diplomatic avenues have been explored without success; that the Security Council resolution explicitly stipulates what the incriminated state has to do to get the sanctions lifted; and that the maintenance of these sanctions is subject to regular and bona fide re-examination.

France appeals to the international community to adopt these principles. In many parts of the world, the impression is spreading that the democracies are twisting international law for their own benefit. By making the effort to be clear and responsible, we shall consolidate the force of international law.

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The West Promotes a Dangerous Alliance in the Gulf

By J. Robinson West

WASHINGTON — President Bill Clinton's firm response to Saddam Hussein was correct — for now. But his policy may create problems later. From afar, the Gulf region has been quiet since Iraq was trounced in 1991. Up close, however, much is changing, and not for the better.

The administration's policy of "dual containment," isolating Iran and Iraq as international pariahs, has had some unintended consequences. Although the economies of both countries have suffered, the governments have continued in power, and there appears to be no credible opposition capable of wrenching power from them.

A nightmare in the Gulf may slowly be taking form. By isolating both countries from the world economy, and making the United States their common enemy, Washington is forcing them into each other's arms. Covert trade and cooperation are beginning between these countries. For example, Iran is swapping crude oil and products with Iraq in spite of the United Nations embargo.

Washington is losing control over the UN-Iraq process. The UN alliance that crushed Saddam is in tatters. It was unsustainable in the long term. France and Russia want to re-establish traditional positions of influence in Iraq and benefit from the immense wealth that would be unlocked if it returned to the oil markets and could rebuild its economy.

Thus it is the United States alone that could end up being the protector of the Gulf against an unholy alliance of Iran and Iraq.

both regional powers, and guarantor for the great prize in the region, Saudi Arabia. But things are changing there as well.

Saudi Arabia remains the linchpin of the world petroleum economy and has pursued a sensible oil policy in recent years. Since the oil boom of the '70s and '80s, however, when it had more than \$100 billion in foreign exchange reserves, Saudi Arabia has now become a net borrower. Paying for Operation Desert Storm cost the country more than \$55 billion. It cleaned the Saudis out financially, and a society once lubricated with oil money now has grinding gears.

Saudi Arabia is now less secure, internally and regionally, than it was. Corruption in the royal family continues. Religious opposition is growing, as well as frustration from the middle class over a lack of representation.

In September, the government announced a roundup of roughly 100 "dissidents." The number was probably closer to 1,000. But President Clinton has not murmured a word about human rights in the kingdom. Also, it went largely unnoticed in Washington, but not in the Gulf, that Saudi Arabia committed its prestige and money to supporting the rebels in a failed attempt to split and weaken neighboring Yemen in its civil war earlier this year.

U.S. policy in the Gulf is now driven by Saudi Arabia. The Saudis have been reliable friends and allies, but America should be care-

ful not to repeat its past mistake of standing or falling with a single ally, as it did with Iran.

Finally, a global trend is occurring that could cause the president serious domestic political problems. The oil industry is operating near production capacity, and demand for products is growing worldwide, particularly in Asia. Saudi Arabia, the largest producer, does not have the funds to expand its capacity. Soon there won't be any slack left in the industry. There is already far less than during the oil shocks of the '70s.

At some point, Bill Clinton may need Saddam Hussein's oil, estimated at more than 100 billion barrels. But if the president draws too deep a line in the sand now, he may not have any options later. The result could be a choice between unwanted concessions to Saddam, a diplomatic fiasco, or rapidly rising gasoline prices, an economic and political disaster. The president must have flexibility. The economy cannot become a commercial hostage to Iraq.

America needs a new policy in the Gulf. Right now, policy is either punitive or reactive. It must broaden its alliances in the region. New power blocs that could destabilize or even dominate the region cannot be permitted. Finally, America's allies must manage change positively, before it is forced upon them, and America, with disastrous consequences.

The writer, a former U.S. assistant secretary of the interior, is president of the Petroleum Finance Co., oil and gas consultants. He contributed this comment to The Washington Post.

Bosnia: Anti-Nationalist Serbs Stand Ready for Peace

By Milovan Mraeovich

LONDON — In the hall of mirrors that is Bosnian diplomacy, the West — especially the five-country "contact group" — treats Radovan Karadzic and General Ratko Mladic as the sole representatives of the Bosnian Serbs. In reality, they are not.

While their regime — whose forces in recent days have suffered their worst defeats by the Bosnian Army since the war began in April 1992 — controls 70 percent of Bosnia and Herzegovina, that occupied territory contains less than 40 percent of the prewar Serb population.

Of the 1.3 million Serbs counted in the 1991 census, an indeterminate number have been killed, perhaps 600,000 have fled to the rump Yugoslavia or other countries, and 200,000 remain in the zone controlled by the internationally recognized Muslim-dominated government of Bosnia.

All these forgotten Bosnian Serbs, virtually ignored by the Western media and international diplomacy, find themselves odd man out in the Muslim-Croat federation created in Bosnia in March. Their fate, however, is crucial to Bosnia's status as a multiethnic state.

When the federation was created, about 500 Serbs, predominantly urban and well educated, assembled in Sarajevo from various parts of the territory controlled by the government. They implacably oppose Mr. Karadzic's Serbian Democratic Party and his so-called Bosnian Serb Republic.

Their assembly issued a declaration supporting a multiethnic and democratic Bosnia, the guaranteed safe return of all refugees to their home areas and the impartial prosecution of war criminals.

These anti-nationalist Serbs want a federal Bosnia organized on the principle of local and regional self-government — "without ethnic connotations and dominations," their declaration said. But that is what the federation is all about: the Croat-controlled and government-controlled zones would be divided into eight can-

tons, with four dominated by Muslims, two by Croats and two mixed. (Under the Western peace plan that the Karadzic Serbs have rejected, the Muslim-led government together with the Croats would get 51 percent of Bosnia and the Serbs 49 percent.)

What alarms the anti-nationalist Serbs is that the constitution of the federation eliminates their status as one of Bosnia's three constituent peoples.

Leading the fight for a constitutional amendment that would make the Serbs once again a legal constituent people in Bosnia is the 33-member Serbian Citizens Council, which was elected at the assembly in March and is headed by one of the two Serbian members of Bosnia's collective presidency, Mirko Pejanovic.

The council's highest nightmare is the prospect of a mass exodus of Serbs who see no future for themselves in the federation.

The quandary of these anti-nationalist Serbs is that while they strongly oppose the principle of ethnic political organization, the federation has forced them to group themselves as Serbs to protect their interests.

In the 1990 Bosnian elections, many voted for such nonethnic parties as the former Communists and the Social Democrats; today, they continue to believe that nonethnic parties provide the only viable future for Bosnia.

The Bosnian government's main argument against including the Serbs in the federation is that the Serbs cannot be a constituent people in two places — in the federation and Mr. Karadzic's republic. It maintains that only when his republic joins the federation will the Serbs become a constituent people again.

The Serbian Citizens Council argues that eliminating the Serbs as a constituent people in the federation weakens Bosnia's claim that Muslims and Croats remain constituent peoples throughout all of Bosnia — including the ter-

ritory that Mr. Karadzic controls.

In addition, the council challenges the legality of eliminating the Serbs as a constituent people in the federation. It argues that Bosnia's referendum on independence and its creation as a sovereign state were both based on the presence of three equal peoples.

The council maintains that by abandoning the grounds on which Bosnia was founded and internationally recognized, the Muslim-dominated regime of President Alija Izetbegovic jeopardizes Bosnia's sovereignty and territorial integrity.

In addition to the powerful diplomatic and constitutional arguments against the elimination of the Serbs as a constituent people, dropping them amounts to de facto recognition of the Karadzic-Mladic regime as the legitimate representative of all Bosnian Serbs and supports that regime's claims that Serbs cannot expect just treatment from Muslims and Croats.

None of this seems to matter much to the Izetbegovic faction of the governing Muslim Party of Democratic Action, which appears motivated by a certain vengeance toward all Serbs, by an open resentment that more Serbs are not in the Bosnia-Herzegovina army and by a Muslim agenda that is inconsistent with the ideal of a multiethnic state.

Since the Muslim-Croat federation is a shotgun wedding that was forced by the United States and could easily break apart, especially if the arms embargo against Bosnia is lifted and most of the UN forces pull out, it might be argued that there is no point in worrying about the Serbs' status in it.

The underlying issue, however, is the kind of society the West wants in Bosnia — and this transcends the federation.

If the West cares about preserving a multiethnic and democratic Bosnia, it should remind the Izetbegovic government that it recognized a state with three equal peo-

ples and that it has not changed its position. After all, if the federation broke apart, what would prevent the regime from stripping the Croats of their status as a constituent people, thereby achieving a wholly Muslim state?

The Serbian Citizens Council, which has established contacts with the underground opposition in the Bosnian Serb republic, needs outside support if it is to have any hope of undermining the republic. The council and the anti-nationalist Serbs it represents could be a valuable ally in the struggle for the Bosnia that many in the West want.

But we will never discover the political potential of these forgotten Bosnian Serbs as long as the West behaves as if Mr. Karadzic and General Mladic were the only Bosnian Serbs who mattered.

The writer, a Canadian who is researching a book on the former Yugoslavia, contributed this comment to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Pacific New Czar?

PARIS — [The Herald says in an editorial:] Never was the death of a Sovereign greeted with more grieving, and in every country is felt the impression that with Alexander III disappears the firmest mainstay of peace in Europe. That is why people are especially grateful to the young Czar for having expressed his pacific intentions. There is therefore reason to hope that Nicholas II will continue the pacific policy of Alexander III, a policy which won him the affection of the whole of Europe.

1919: Perfect Girl II

NEW YORK — The second physically perfect American girl has been found in Miss Evelyn Mueller, of New York. A board of medical examiners has rendered the verdict on her, and she is now a rival of Miss Annette

Kellerman, who has held the only title of perfect physical womanhood heretofore. The board of examiners says that Miss Mueller, as a girl brought up in the largest city of the United States, is to be credited with overcoming the almost impossible in reaching her perfection. She has created a rugged constitution and is in a perfect state of physical health.

1944: U.S. to Help China

WASHINGTON — [From our New York edition:] Donald M. Nelson, former War Production Board chairman, will return to China soon, at the request of Generalissimo Chiang Kai-shek, to organize a "Chinese W.P.B." Mr. Nelson will make his second trip to China as President Roosevelt's personal representative at the head of an American technical mission geared to step up China's steel and alcohol production.

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O P I N I O N

Italy: The Philosopher King Stands in the Wings

By William Pfaff

ROME — An American closely acquainted with Italy, Norman Birnbaum of Georgetown University, told the U.S. Senate Foreign Relations Committee in September that by comparison with the "spurious ideology" and media simplifications of Prime Minister Silvio Berlusconi, the "post-fascist" Gianfranco Fini "seems like a philosopher king." He added that for this reason Mr. Fini's political staying power may be considerably greater than that of the financier-politician now heading Italy's government.

Much the same thing has been said by Rocco Buttiglione, the philosopher now head of the surviving remnant of the Christian Democratic movement, the Popular Party, whom many think the key figure in Italian politics today. Mr. Buttiglione recently said that "if Berlusconi falls, Fini succeeds." His hope, of course, is that Mr. Fini, too, will eventually fall, opening the way to Italian political reconstruction on reliably democratic terms.

Mr. Fini now is some 10 points ahead of Mr. Berlusconi in political popularity polls. On Oct. 23, the central committee of his Italian Social Movement voted in quasi-unanimity to dissolve their party in January and merge it into a larger National Alliance meant to become a proper center-right national party like the Conservatives in Britain or the neo-Gaullists in France. Mr. Fini says he wants "a modern right, which firmly

believes in liberty and democracy, able to synthesize the best traditions of political thought in this century." Italian neofascism, a turbulent but marginal factor in Italian political life since the war, is turning itself into a mainstream movement, with its leader now the most popular politician in the country.

The Italian Communist Party, for years immensely powerful but unelectable, has been unsuccessfully trying to accomplish such a transformation for the last 30 years. It thought this year that it had succeeded and that its successor, the Party of the Democratic Left, would become part of the first government of the Second Italian Republic, probably in coalition with the Popular Party. Instead, Mr. Berlusconi and Mr. Fini took power, with some help from the Northern League, a confused and fading regionalist movement.

If Mr. Fini's ambitions for his new party could be relied upon, there would be no principled objection to it. A conservative movement committed to liberty is a normal component of a modern democracy. But the record of the MSI, along with the anti-Semitic (and anti-American) discourse of some of Mr. Fini's associates, compels skepticism.

Fascism has been described (by the Italian scholar Emilio Gentile) as "the coming to power of mythical thought." With the reservation that

I note below, there is little of this in the new Italian right. There is no rejection of the modern world, nor harking back to a romanticized past.

There is in it a strain of anti-cosmopolitanism, a hostility to the secularized values of liberal society and to a "Europe" that seems to embody this secularism and cosmopolitanism. But this is a form of conservatism and nationalism apparent elsewhere.

Mr. Birnbaum told the Senate committee that the National Alliance "insists on a specific Italian identity." That is: "It opposes a generalized social equality and favors leadership by an elite certified by achievement. It... considers that national solidarity demands limits on the sovereignty of the market."

In this respect, the National Alliance challenges what Mr. Berlusconi stands for, since the prime minister is committed to value-free market liberalism and sees himself as the Italian counterpart to Margaret Thatcher and Ronald Reagan. His three private TV networks, devoted to popular diversion at its cheapest, and Europe's biggest importer of U.S. films, serials and game shows, have been a big force in subverting the old values of Italian society and substituting a consumerist cosmopolitanism.

I said that "mythical thought" survives in at least one aspect of Mr. Fini's program. This is its rash and profoundly subversive commitment

to territorial irredentism — a threat to all that European unification has meant since 1945. The MSI demands Istria for Italy.

Istria is the region on Italy's northeastern border that once belonged to Venice, later to Austria, and now is controlled by Croatia and Slovenia. Its juridical status has been unresolved since the war. An agreement between Rome and Belgrade in 1975 was thrown into doubt by the collapse of Yugoslavia.

The usual complicated ethnic and historical claims are made about to whom Istria ought to belong, but in what is supposed to be a new European political civilization these are claims that diplomacy and goodwill are supposed to settle.

Mr. Fini's followers have another view. Mr. Fini himself, on Oct. 18 at Trieste, demanded that Slovenians "kneel before Italians," victims of "genocide." They must agree, he said, "that these lands are Italian" before Italy will allow Slovenia to join the European Community.

Here was the old and brutal language of fascism, its true language, a language that Western Europe and the Western world hoped to never hear again. To hear it from Italians, co-founders of the European Union, conveys the worst possible message that the nascent Second Italian Republic could deliver to its neighbors.

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MY OPPONENT IS A LOUSY, PHALANDERING LIAR OF DOUBTFUL PARENTAGE AND EVEN MORE DOUBTFUL ABILITY, AND ANTI-GOD AND UNAMERICAN, TOO!

YEAH?

YEAH!

MY OPPONENT IS A NO-GOOD, STINKIN' POLECAT WITH THE MANNERS OF A JACKAL AND THE INTELLIGENCE TO MATCH HIS UGLY APPEARANCE, AND A GODDAM BIGOT AS WELL!



In the End, a Vote for Some of the Above

By Anna Quindlen

NEW YORK — There are many riveting things about traveling around the United States on the cusp of a major election. Not the least of them is the ability to see political advertising designed chiefly to appeal to the stupid and mean-spirited in state after state, interchangeable and unimaginative as the decor of the hotel rooms.

But it is also possible to hold your finger to the wind and discern the prevailing ethos. And this year, in many places, that ethos has clearly been None of the Above.

None of the Above is so seductive for Americans because there is no way to pursue it politically, no mechanism by which one can dissolve the government and start again from scratch. In America's democratic system, there is no way to elect a None without winding up with Someone. If that sounds a little like "Alice in Wonderland" — well, haven't these midterm elections actually been a delightful mixture of the Mad Hatter's tea party, in which everyone moves constantly but no one really goes anywhere, and the Red Queen's croquet match, with its claret cries of "Off with their heads!"

The inevitable parabola of the None of the Above phenomenon is most easily understood by taking a backward look at that most "Through the Looking Glass" of national characters, Ross Perot. Mr. Perot came out of nowhere in 1992 with a throw-the-hums-out zest. While the press and other politicians ignored him, the feisty guy from Texas picked up a large following by being the un-candidate.

But elections play out over

time, and over time those down-home Perotisms began to seem as predictable as smoothie political rhetoric. No matter how many charts the man hauled out, it became clear that no one could truly get rid of the deficit without even breaking a sweat.

Then he crashed and burned: in the race, out of the race, in the race again. Weird conspiracy stories. Accusations that the Bush cam-

There is a great deal of anger against what are called "career politicians," which is a strange thing: after all, no one ever complains about using a career dentist. But as the Perot ume line indicates, at some point cipher must give way to substance, and voters begin to turn toward the candidate who has actually done something: say, sponsored legislation or balanced a state budget. And the un-candidates begin to come undone.

A strong Republican might have blown Governor Cuomo out of the water this time around. But a strong Republican was not at all what Senator Alfonse D'Amato wanted when he was playing kingmaker. So, polls suggest, voters are beginning to turn away from Mr. Pataki because there is no there there.

Michael Huffington's big blowup was the announcement that his children's nanny was an illegal alien, and his decision to blame same on his wife. But he was flagging in the polls before, when more and more voters began to realize they had no idea, save rich and Republican, who Mr. Huffington was — because maybe, at base, he's nothing at all.

There's the rub: Nothing at all is not the same as None of the Above, particularly when you begin to imagine it in Washington. It's not uncommon for Americans to become so disgusted by politics that they want to start from scratch. But ultimately they're forced to choose among real people; scratch doesn't make much of a senator. When a person needs constituent services. Some of the Above is better than the alternative.

The New York Times.

LETTERS TO THE EDITOR

Noble French Neutrality

Regarding "What Sort of Superpower Can Refuse Every Risk?" (Oct. 22) by Dominique Moisi:

The most surprising statement in this tiresome rehash of American foreign policy problems is the parochial assertion that intervention is France's middle name, "part of its very identity." That would make French foreign policy interventionist, which it is not.

Instead, I see a general tendency toward neutral positions and appeasement, and am hard-pressed to think of any recent examples of French intervention anywhere. Is Mr. Moisi talking about Rwanda?

About Bosnia? While these missions of mercy are noble and morally correct, they are politically neutral in vision and scope. Intervention, on the other hand, is not a neutral course of action.

In neither Rwanda nor Bosnia was there an intent to get at the cause of the misery and the horror. That is what intervention would have attempted to do.

JOE ALBERGHINI, Paris.

Britain's Strong Record

Regarding "The UN Effort in Bosnia Was Wrong From the Start" (Opinion, Oct. 23):

Anthony Lewis describes the British government as "the weakest, most pathetic" of modern times.

For the record, it was the government of Prime Minister John Major that had the courage to: send 20,000 troops to support the United States in the 1991 Gulf War; send warships and 800 troops to support the United States in the latest crisis in the Gulf; send 3,500 troops to Bosnia

and live with the inevitable casualties at a time when the United States refused to deploy ground troops there; take huge political and security risks in the search for peace in Northern Ireland, and stand alone in the European Union for a more rational and pragmatic type of superstate.

The trouble with people like Mr. Lewis is that they patronize those who do not share their moral outrage, which is always selective. Mr. Lewis would not, for example, describe the Wilson government of the 1960s as "weak" or "pathetic" because it refused to send troops to back the United States in Vietnam.

A. DUFF, London.

The Thinking on Iraq

Regarding "In No Position to Knock Bush" (Letters, Oct. 17):

Concerning President Bill Clinton's dispatch of troops to the Gulf area, remember that the matter goes back to 1979 — the Iran-Iraq war — and is a very complicated affair. Briefly, American thinking back

then was: If we destroy Saddam Hussein, Iraq breaks into three parts, with the Shiite southeast going to Iran, the oil-bearing Sunni central-west to Syria, and the Kurdish north to independence and war with Turkey. Better to keep a weak Saddam in Baghdad. Meanwhile, the whole thing has been a dandy, if expensive, exercise in troop dispatching. It keeps the military services on their toes.

PHILIP HOLZBERGER, Lognon-Florian, France.

Immortal Latin

The students of the Latin classes at the International School of Brussels and I, their teacher, have read with interest "Latin, in the Computer Age, Shows Signs of Resuscitating" (American Topics, Oct. 5). We are very pleased with the attention Latin is getting, but we would like to object to calling Latin "the dead language of the Roman Empire." We believe that Latin is not dead, it is immortal.

B. DANKAERTS and 17 students, Brussels.

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Source: * VIVA Surveys '92 / '93. † Reader Survey '94.

HEALTH / SCIENCE

Confusion Over Big Bang Theory

By John Noble Wilford
New York Times Service

NEW YORK — Even though the universe has infinite ways of humbling them, cosmologists are nothing if not resilient and endlessly creative. They have to be, given their daunting task of standing on the shore of a small world and looking beyond the harbor lights of nearby stars to the arching waves of clustered galaxies, seeking on far horizons glimpses of the entire cosmic history, from beginning to probable end.

For more than three decades, their most satisfying reconstructions of that history have rested squarely on the "Big Bang" theory.

In the beginning, according to this model, mass was compressed into a state of infinite density, an initial singularity. Then there was a kind of explosion. Everything — space itself — expanded, thinned out and cooled. At first, all was smooth and virtually uniform. But around some faint wrinkles, called density fluctuations, matter began clumping into stars, galaxies of stars and clusters of gravitationally bound galaxies stretching across the sky.

But the universe seems to keep throwing the cosmologists nasty curves, exposing the woeful limitations of their knowledge about how in the apparently allotted time the cosmos evolved from these beginnings to a present-day structure of such manifest inhomogeneity.

There does not seem to have been enough time. And where and what is all the invisible mass, the so-called dark matter, to account for the gravity needed to pull together such vast galactic agglomerations?

Such unsettling questions have left cosmologists shaking their heads and entertaining all manner of modifications in the details of their theories. Perhaps the universe underwent a brief period of accelerated expansion in its very early stages, the widely favored inflationary addendum to the Big Bang theory.

Perhaps most of the universe is composed of invisible exotic particles — WIMPs, for weakly interacting massive particles — that supply much of the gravity shaping galactic structures. But important aspects of this hypothesis have been attacked recently, and these particles have yet to be discovered.

It may be a measure of the current turmoil that some cosmologists are driven to reconsider, tentatively but with increasing interest, an idea that Einstein once proposed but later rejected, saying it was "the greatest blunder of my life."

His cosmological constant, as he called it, was a kind of antigravity force, a monumental fudge factor to force the universe he envisaged to conform with some implications of his own general theory of relativity.

Last week theorists got more perplex-

ing news and were talking more openly about the theoretical beauties of the cosmological constant. Einstein, they speculated, might have been right after all, though for the wrong reasons.

Cosmologists were responding to a report of the most accurate measurement yet of the distance to a remote galaxy, made by astronomers using the Hubble Space Telescope.

Calculations of the universe's expansion rate from this and other recent observations provide strong evidence that the universe may be much younger than scientists previously estimated. It may be no more than 8 billion years old, as compared with other calculations ranging up to 20 billion years.

Since some stars are reliably estimated to be 16 billion years old, the new findings mean that the universe appears to be younger than some of its components, a most disturbing paradox for cosmologists. Calling this "an apparent impossibility," Dr. George H. Jacoby, an astrophysicist at the National Optical Astronomy Observatories in Tucson, Arizona, said it "will force a re-examination of our universe model and how stellar ages are measured."

Of course, no one is accepting the low age estimate as the last word, not until further measurements are made using other techniques and are extended out to greater distances, beyond disturbing influences of local gravity. But no one is dismissing it, either.

Cholesterol May Not Harm Elderly

By Gina Kolata
New York Times Service

NEW YORK — Cholesterol levels, which accurately predict risk of heart disease in middle-aged people, appear to have no such predictive value in the elderly, a new study has found.

The study, by investigators at Yale University, included 997 men and women 70 years old or older who were followed from 1988 until the end of 1992. It is one of the very few studies of cholesterol to focus on people over 65, and in fact the average age of the study participants was 79.

The researchers report that although a third of the women and a sixth of the men had high cholesterol levels, these people did not have any more heart attacks during the study period than those whose cholesterol levels were normal or even low, nor were they more likely to die from heart disease or from any cause.

The study was published Wednesday in *The Journal of the American Medical Association*. "This is good news for old people," said Dr. Stephen B. Hulley, the chair-

man of the department of epidemiology and biostatistics at the University of California at San Francisco. He said the study showed that after about the age of 70, "they can take it easy and relax" and stop worrying about cholesterol.

Dr. Hulley said the findings were "very important" because there has been virtually no information on cholesterol's effects in the very old. Although this study by itself is unlikely to be definitive, he said, its findings are bolstered by those of the Framingham Heart Study, now in its 46th year, which also found no effect of cholesterol in the elderly.

Dr. Michael Criqui, an expert on cholesterol and heart disease at the University of California at San Diego, said the Framingham data showed, in fact, that cholesterol levels taken at the age of 50 were a better predictor of heart disease risk at 70 or 80 than cholesterol levels at 70 or 80.

Dr. Harlan M. Krumholz, the study director, a cardiologist and epidemiologist at the Yale University School of Medicine, said many old people were alarmed by their cholesterol readings and were trying

desperately to get them down, with diet or

often with cholesterol-lowering drugs. But Dr. Krumholz, Dr. Hulley and others say that since there is no evidence that lowering cholesterol helps in people over 70, doctors should not even take cholesterol measurements in old but otherwise healthy patients. Dr. Hulley explained: "At least for people in their late 70s and beyond, we don't know what's a good cholesterol level. We actually don't know whether you're better off with a high one or a low one, so there is no point in measuring it." He added that there was especially no point in treating old people with cholesterol-lowering drugs and said he was deeply concerned because many people in their late 70s and older were taking those medications.

At first glance, the questioning of cholesterol's effects may sound odd, heart disease researchers said. One possible explanation, said Dr. David Kritchevsky, a cholesterol researcher at the Wistar Institute in Philadelphia, is that anyone who reaches 80 or so with a high cholesterol level and no evident heart disease may be immune to cholesterol's effects. "The bullet has missed you," he said.

NEW YORK FASHION

Mizrahi's All-American Swirls

By Suzy Menkes
International Herald Tribune

NEW YORK — What is as American as apple pie, gangsta rap, hime jeans or O.J. Simpson T-shirts?

Ever since New York designers have tried to move on from signature sportswear, there is no one look that seems modern.

Even if he is fixated on old movies, with Veronica Lake hairdos and gill-edged glamour, at least Isaac Mizrahi's show seemed all-American. It was handbox fresh with its window-pane-checked jackets, its lip-stick-pink suits and daisy-printed dresses. It was shot with New York humor, as witticisms were projected above the runway like the electronic news in Times Square. "Business as unusual," announced a series of loudly checked pantsuits. A fitted, scoop-neck jacket was pronounced: "Sexual harassment." And shapely swimsuits, with white vinyl beach robes lined in terry cloth, came out to the words: "Esther Williams never got sand in her suit."

Sex and secretaries seemed to be on Mizrahi's mind — and that was the problem with a show that had high points, like the bright pink and green plaids, the fresh white blouses with long flower-patterned skirts and the cashmere-with-sequins sweater-sets.

But how hard it is to refer to the past — however wittily — without seeming retrograde.

Mizrahi's plain dresses with Peter Pan collars and skinny belts looked Doris Day prissy. His preferred skirt — straight, slim, stopping just over the knee with a vent at the back — belonged to an era before women took work in their stride.

Mizrahi was on surer ground with sporty pantsuits and with the heyday-of-Hollywood looks that he favored before they came hot on the high heels of the glamour movement.

Is it the glamour craze or a shift in American lifestyles that



Isaac Mizrahi's striped suit with knee-length skirt.

makes so many runway clothes for after dark? From the vodka-and-orange suit that started the show to the champagne sequined hot pants, Todd Oldham served up a cocktail of color and sparkle. The Escada team in the audience, checking out the house's new design consultant, found everything upbeat: chinoiserie satin dresses with bright embroidery; slithers of python print, witty cowgirl-goes-to-the-Tirol looks with flower braid instead of studs.

The show was calm by Oldham's standards. Prints were of-

ten reduced to jacket lining, or glimmer to a skinny rhinestone belt on a raspberry crepe dress. Oldham did not come up with many shapes, with the midriff-cropped top, the slim-skirted suit, the wrap-dress and the curvy cowboy shirt worn outside skinny pants reworked in different fabrics. Prints included mouth-watering pastries and multicolored Japanese parasols. Since the supermodels so obviously enjoyed strutting the stuff, Oldham gave an excellent show.

Carolina Herrera's show of dainty dresses and graceful

gowns was very reassuring for any woman aspiring to be a New York socialite. Her potential clients, from Pat Buckley through Maria Trump (with trophy husband Donald), were impeccably placed in row four. But even from there they could admire the womanly in-at-the-waist silhouettes, graphic pantsuits, pretty pastels of mint, aqua, pink, primrose or orange sorbet, and dainty decoration from scalloped necklines through bows. It was, in its conventional way, a very pretty show.

ANNE Klein was one of the great American sportswear designers. The house is undergoing a metamorphosis, but should the designer Richard Tyler, in his second season, have moved so far into city slick, with more shiny satin than seemed really necessary and evening dresses engulfed in flames of inset color? The best of the show came at the start, when classic polo shirts cropped to bare the midriff, came over narrow jeans or shorts in bright sorbet colors.

Tyler's strength is in the cut of his jackets, shaped with panels so that they caressed the body without gripping it. They went over dresses or slim over-the-knee skirts. Soft jersey dresses were dull but wearable.

Marc Eisen did Helmut Lang: skinny hipster pants; plastic dresses; mesh athletic shirts, and modernist femininity in lilac, laminated chiffon or georgette dresses with ruffles and pink flowers.

Sesame Street on children's television must have been a favorite of Christian Francis Roth. In paint-bright colors, with appliquéd patterns like play-school drawings, came circle skirts and cropped tops, short swingy dresses and even a grass-green coat with its belt made from a jump rope. A simple suit with a random scattering of numbers was cute. But for grown women in American today, it seemed as appropriate as watching children's TV.

AIDS Drugs Fail to Curb Nerve Damage

By Lawrence K. Altman
New York Times Service

NEW YORK — Despite widespread use of drugs to combat the AIDS virus, which earlier studies had shown to protect against infections that affect the brain and central nervous system, the incidence of such damage is increasing among those with the disease, a new study from a large federal AIDS project has found.

The study looked at six AIDS-related neurological conditions among 2,641 HIV-infected gay men in Baltimore, Washington, Chicago, Pittsburgh and Los Angeles who have participated in a long-term project directed by the National Institute of Allergy and Infectious Diseases in Bethesda, Maryland. The study was conducted by a team of researchers headed by Dr. Justin S. McArthur, a neurologist at Johns Hopkins School of Medicine in Baltimore.

The six conditions are: toxoplasmosis, a parasitic infection; cryptococcal meningitis, a fungal infection; primary lymphoma of the brain, a cancer; progressive multifocal leukoencephalopathy, a viral infection; dementia, and neuropathy, which can be a painful and crippling degeneration of nerves leading to numbness and weakness of the hands, feet or limbs.

Of the six, dementia was the only condition for which the rate did not increase during the period of the study, from 1985 to 1992. Dr. McArthur's team reported in the October issue of the *Journal of Neurology*. About 38 percent, or 1,001, of the 2,641 infected participants developed AIDS during the study period, from 1985 to 1992.

The findings underscore the need for developing more effective drugs for AIDS and its neurological complications, Dr. McArthur said in an interview.

The incidence rates of all neurological conditions were related to the severity of the progress of AIDS among participants. Dementia rarely developed earlier than other AIDS-related illnesses. But some cases of neuropathy and dementia were found among those with normal numbers of CD-4 cells, the specialized cells in the immune system that HIV seems to destroy.

By weakening the immune system, HIV makes an infected individual vulnerable to

so-called opportunistic infections, which are caused by microbes that are generally harmless in individuals with healthy immune systems. Some opportunistic infections, like toxoplasmosis and cryptococcal meningitis, affect the brain. The study found that drug therapy with antimicrobials appeared to help prevent these two infections.

Men with 200 or fewer CD-4 cells who took antimicrobials were less likely to develop the infections than similar men who did not take such drugs.

■ Greater AIDS Risk for Women

Women are more than twice as likely as men to become infected with the virus that causes AIDS during heterosexual sex, according to a study by an Italian research group, *The New York Times* reported.

The study, published in the *Journal of Epidemiology*, provides further evidence that anatomical and physiological differences between the sexes make women more susceptible than men to contracting HIV.

The Italian study, of 524 female partners of HIV-infected men and 206 male partners of HIV-infected women, is the largest published epidemiological attempt to document the role of a person's sex in the transmission of the human immunodeficiency virus among heterosexuals.

The results correspond to previous research efforts, which suggest that the risk of becoming infected during sex may be three to five times greater for women than it is for men, said one of the authors, Dr. Massimo Musico, of the Institute of Advanced Biomedical Technologies at the National Research Council in Milan.

Astronomers Find a Galaxy Just Beyond the Milky Way

Reuters

LONDON — Astronomers have cut through the murk of the Earth's solar system to discover a new galaxy close by, according to the issue of the *Journal of Nature* published Thursday.

Offer Lahav of Britain's Institute of Astronomy and his colleagues turned the Dwingelo radio-telescope in Leiden, the Netherlands, to a special hydrogen frequency to cut through the heavy Milky Way dust and found a "large spiral galaxy."

not want to hear another yarn about Richard Nixon, and he is probably right. Once again we are seized by the man, by his crafty and, until his death anyway, successful reconstruction of himself, and by his capacity to snare others into his web. Take George Bush, for example. The incumbent was merely minding his business when bam! — out of nowhere, he was ambushed by his former boss Nixon being Nixon was not content to stick to the subject — to Russia that was more than "too little and too late." He went on to imply that if Bush failed to follow his advice and if as a consequence Boris Yeltsin fell and either anarchy or despotism ensued, Bush would be blamed. As Kalh summarizes the memo, "Right or wrong, he would be seen as the president who 'lost' Russia."

Despite the obvious generational and ideological differences between them, Bill Clinton was no more able than his predecessor to escape Nixon's orbit. Dealt a foreign policy hand that under optimum circumstances was unfamiliar, and unsteady himself on Russian terrain, Clinton soon became a ready customer of Nixon's wares. Here Kalh permits himself a harsh judgment. Writing about the Nixon-Clinton connection, Kalh notes dryly that in general, the White House "seemed utterly tone deaf to the inappropriateness of a Democratic president treating Nixon as a revered foreign policy adviser." The fact that Nixon had a greater impact on Democrat Bill Clinton than on Republican George Bush is labeled "the ultimate irony."

I would nominate a different candidate for this dubious distinction: the press as primary vehicle of Nixon's rehabilitation. As Kalh's chronicle makes meticulously clear, without willing agents ranging from Daniel Schorr to William Safire, and without ready vehicles such as *The New York Times* and CNN (which carried his

subsequent speech on the subject "live"), Nixon would have lacked a medium to send his message. The former president had left to him neither power nor position. To carry his voice he had to rely mostly on the kindness of strangers.

What lingers longest is the compelling nature of the debate itself. We are, after all, familiar with the many resurrections of Richard Nixon, and we generally understand the power of the press full well. What we still have failed to master completely is the issue of how to behave as a nation at the international level. For all the flaws in his argument, and for all the self-serving reasons he had for presenting it in the first place, Nixon's memo did shove this chronic question front and center.

Barbara Kellerman, a political scientist, journalist and commentator, wrote this for *The Washington Post*.

BOOKS

THE NIXON MEMO: Political Respectability, Russia, and the Press

By Marvin Kalb. 248 pages. \$19.95. University of Chicago Press.

Reviewed by Barbara Kellerman

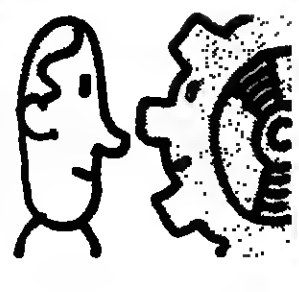
MARVIN Kalb was smart to tell this tale in which personality, press and policy are inextricably entwined. Once labeled a "Romanian agent" and placed on President Nixon's "enemies list," he has visceral knowledge of the former chief executive's conniving character. In his current position as director of the Shorenstein Barone Center on Press, Politics and Public Policy at Harvard, he focuses on where press and politics intersect. And since the matter at hand concerns Nixon's preoccupation with Russia, where Kalb has been stationed, the fit between author and subject is perfect.

WHAT THEY'RE READING

• Sarwoono Kusumastutjaja, Indonesia's environment minister, is reading "Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector," by David Osborne and Ted Gaebler.

"This book gives proven and practical examples of how governments cope with scarce funds and other resources, yet perform better."

(Michael Richardson, IHT)



At the center of the action is a memo written by Richard Nixon in February 1992 that declared in no uncertain terms that unless the Bush administration spearheaded a hard drive to provide extensive aid to Russia, we were at risk of "losing" this most important of the former Soviet Republics. In the beginning the memo was sent only to 50 of the best and brightest — such influential luminaries as Henry Kissinger,

Zbigniew Brzezinski, Hugh Sidney and Arnold de Borchgrave. But, Kalh writes, exclusive distribution notwithstanding, "Nixon wanted the memo to leak; he just didn't want to be fingered as the one who did the leaking." His wish was shortly granted. The press, his ancient nemesis, did the deed, and within days Nixon's ideas on what should be done about Russia were the coin of the realm.

Kalh assumes that we'll never

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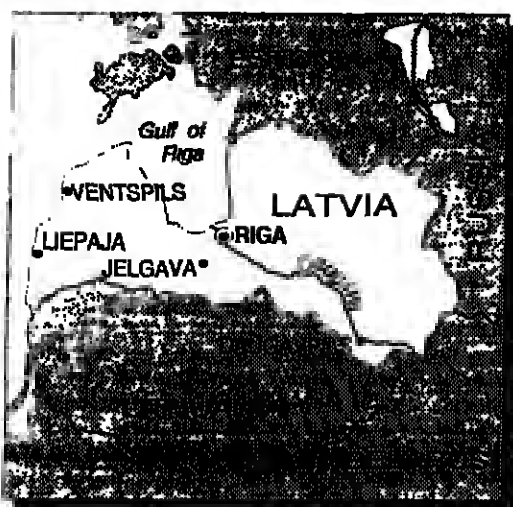
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LATVIA

Immutable as the Riga skyline, Latvia's independent spirit is shaping an efficient Baltic economy.



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The Republic of Latvia

Area: 64,589 square kilometers (25,000 square miles)
Population: 2,281,000
Capital: Riga (pop. 800,000)
Other major cities: Daugavpils (128,000), Jelgava (114,000), Jurmala (72,000), Ventspils (65,000)
President: Guntis Ulmanis
Prime Minister: Maris Gailis

STRUCTURING AN ECONOMY OF LEGACY AND NICHE

The Latvian economy has now returned to growth, with a 1 percent to 4 percent increase forecast for 1994.

Small countries live off their reputations, and Latvia is living quite well off its reputation at the moment. The "Switzerland of the Eastern Baltic" is how three of Western Europe's leading dailies labeled the country in recent articles, a reference to both the country's perceived attributes and its current way of earning a national living.

Like Switzerland, Latvia has a reputation that stems from the world's appreciation of its finances and financial sector. The Latvian government has shown a Swiss-like abhorrence for unbalanced budgets, trade deficits and debt loads. Latvia has a rock-hard currency, the lat, whose strength comes from the respect accorded to the Latvian banking system's efficiency, probity and reliability. Also like that of Switzerland, Latvia's financial sector is thriving on inflows of funds seeking a safe haven from political and economic uncertainty.

Functional and dynamic in a description worthy of Switzerland, Latvia is viewed as "a place that works." In the words of a Riga-based German chemical executive, it is a place "where officials are responsible and their actions accountable, where it is possible to process trade documents, make a telephone call and get a supplier on short notice."

The country also features a Swiss-like ethnic makeup, with ethnic Latvians accounting for 52 percent of the population, and Russians

two-thirds of the rest. Once riven by segregation and mistrust, but now aided by increasingly conciliatory governmental policies, the country's ethnic groups are making steady progress toward a Switzerland-like pluralism.

Successful survival

Although edifying, such comparisons don't even begin to encompass the vast accomplishments of the Latvian government over the last two short years," says Professor Manfred Meier-Preschany, who has been serving as the government's chief economic adviser since July 1993. "Nor do they imply the long, hard work that still lies ahead. Before anyone even thought of making ringing comparisons to Switzerland or Singapore, Latvia was confronting life-or-death questions about national economic survival. That has been Latvia's initial, most important accomplishment: surviving — and surviving well — the most wrenching readjustment imaginable."

Until independence, Latvia was an integral part of the Soviet Union's economic and energy supply systems. As late as 1990, transactions with the dissolving Soviet Union directly accounted for half of Latvia's gross domestic product and 95 percent of its total trade.

Transit transactions Today, trade with the Soviet successor states amounts to around 40 percent of the country's total. Since much

of that stems from transit transactions, Latvia's "net exposure" to the CIS is said to be about 10 percent of GDP. By tapping new sources of supply and reconfiguring existing networks, "Latvia is no longer energy-dependent on Russia," says Adrians Davis, chief executive officer of the country's natural gas authority. A sign of change: environmentally friendly natural gas now accounts for 40 percent of the nation's energy budget. This shift is one factor behind the noticeable improvement in the country's ambient environment, seriously strained under the Soviet system.

Back in the black

In fact, as Mr. Meier-Preschany points out, Latvia has been doing more than merely surviving. After the first two post-independence years' plunges, the country's economy made a return to the growth columns in mid-1994, with forecasts now ranging between 1 percent and 4 percent. During this time, the country's private sector has been undergoing a major expansion. Since 1991, some 60,000 companies have been founded, of which an impressive 4,000 are either partially or totally owned by outside investors from 80 countries. Net purchasing power per capita has risen 18 percent over the past three years, suggesting the source of the obvious prosperity to be seen in Riga and in other major cities: a "shadow economy" of considerable size.

"Survival has, to a great extent, come from the

niche," says Mr. Meier-Preschany. "Lasting, deeply based prosperity is going to come from employing the niche's resources, impetus and contacts to restructure the 'legacy' economy. I've seen a lot of business talent, patient industriousness and hard-headed common sense in this country, and it's going to take all of those qualities to redo the legacy economy."

Latvia's niche is handling transit trade between the main mass of the CIS countries and the outside world, and providing related storage, finishing, assembly and financial services. This niche is large. Transit trade accounts for some 90 percent of the cargo transported through the country's three largest ports: Ventspils, Riga and Liepaja. The niche is also a good provider for Latvia, keeping 1993's balances of trade, payments and services all in the black.

The Soviet legacy

The legacy economy is the patchwork of aging industrial conglomerates built by the Soviets, and the local monocultures existing around them, often the sole sources of employment for communities. "There's another legacy from the past: the great stock of highly qualified, entrepreneurially minded people working at the conglomerates," points out Janis Zvanitajs, Latvia's economics minister. "Many green shoots are springing up in local communities. Our job is to interlink the niche and the legacy economy, to put our international

business community on-line with our local communities."

In fact, according to the latest statistics, that process has already started. Manufacturing output is currently up 10 percent over the previous year, led by a fast-growing, successfully exporting food-processing industry. "Real" (included unreported) unemployment seems to have peaked at 8 percent. Announcements of major investments in manufacturing companies have become standard fare in local newspapers. The upcoming wave of privatization is expected to put the restructuring of the legacy economy into full gear.

The new vibrancy Still, economic statistics tell only part of the story of Latvia's transformation, according to Vita Anda Terauda, one of the many Latvian-Americans taking part in rebuilding the country. A holder of dual citizenship, Ms. Terauda is the country's minister of reform.

"For most Latvians, the transformation has been experienced as a profusion of colors, possibilities, issues and, of course, concerns and worries," says Ms. Terauda. "Most of all, it's been perceived as a fast-paced flurry of events. Sometimes I have to simply stop and ask myself what happened to the Riga of bread lines and drab buildings and cold, uncomfortable rooms. That city has so little in common with today's vibrant, well-functioning Riga."

Terry Swartzberg

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PRIME MINISTER GAILIS SPEAKS ON CHALLENGES

Born in 1951, Maris Gailis earned a degree in mechanical engineering in 1978. After holding a number of industrial posts, Mr. Gailis entered politics in 1990, serving as director of the international economic relations department of the Latvian government. Over the next four years, he held a variety of ministry-level governmental positions before becoming prime minister on September 15, 1994.

Although they share ties of geography and history, the three Baltic countries have not been noticeably close or productive in the post-independence phase. What is the current situation?

Over the last three years, all three Baltic countries were often very occupied with coming to grips with their own national situations, and with defining and managing their relationships with Russia and other major

countries and groupings. As a result, our countries hadn't yet addressed themselves to filling in the practical details of the extensive, far-reaching ties mapped out in various agreements. Since June 13th and the founding of the Baltic Council of Ministers, we've been doing just that — focusing on such matters as further reducing border crossing times, devising common approaches to combating crime and harmonizing business-related laws and legislation. The first proposals are now being implemented, and they are already making a noticeable difference in our citizens' daily lives.

The integration of its various ethnic groups has been described as Latvia's biggest challenge. Latvians account for 52 percent of your country's population; two-thirds of the rest are Russians. Reports of problems with strict require-

ments for citizenship, including fluency in Latvian, have been appearing in the international press. Has progress been made in this area?

To describe this situation in terms of ethnic groups is misleading. Allegiances and perceptions of interest are the applicable criteria. Independence came unexpectedly and rapidly to many people resident in Latvia. Many of our country's non-Latvians had never planned to be part of an independent Latvia, nor to be here longer than a few years. They were thus left stranded here by events. And many of these people would like to return to Belarus or Ukraine or Russia, but are facing administrative and financial hurdles to their doing so. We're working on eliminating these barriers on a bilateral basis.

Many non-Latvians actively demonstrated their allegiance to Latvia during our

country's drive for independence. Others have made it quite clear that they plan on making a life in Latvia for themselves and for their children, for very practical reasons. Our standard of liv-



"A nation's prosperity is the sum total of its individuals' prosperity. Many Latvians have fully exploited their best in a lifetime chance to try out new fields of activity."

ing is relatively high; life here is attractive. For these people, and considering their depth of interest and length of time-frame, 10 years of residency and a passable command of their new country's language do not represent unreasonable or insurmountable obstacles. We are

seeing encouraging signs of integration from these groups. For instance, a growing number of Russian families are sending their children to Latvian-language schools. You have to re-

signs of a new prosperity are very evident in Latvia, even to the casual observer. Yet there are also reports of endemic poverty. Is Latvia achieving sustainable, broad-scale economic progress, or is this prosperity restricted to a few "pockets of plenty"?

Certain economic sectors were in our power to change, and in these areas we have acted decisively and quickly. The prosperity you're seeing has ensued from these changes. Although the move was widely criticized at the time, we set up our new currency, the lat, and made it the hardest one in the region and currently one of the hardest in Europe. Along with a freely convertible currency, we also enacted free trade, free banking and free investment policies. The result is that Latvia has now become the eastern Baltic's financial and trading center.

Like Hong Kong in the old days, we're handling a lot of the transit traffic between the CIS countries and the outside world, from as far away as Chile and China. As a result, our freight-processing sector is growing rapidly, along with trade-related finishing and manufacturing.

On a long-term basis, we can't grow without a high-achieving industrial sector. Parts of our food processing and consumer goods industries have already managed the turnaround, as has our construction sector. Other manufacturing operations, often funded by foreign investment, have started up, causing a strong, overall rise in manufacturing turnover. But the restructuring of our heavy industry, which was interlinked with the Soviet system, and particularly to its military-industrial complex, is proving a large job, requiring large amounts of

capital and management know-how. Both of these items will be forthcoming from Latvia's emerging capital and equity markets, being created in conjunction with the privatization program, now well into its main phase.

A nation's prosperity, of course, is the sum total of many individuals' prosperity. Very many Latvians, included many of my own friends, have fully exploited their first-in-a-lifetime chance to try out new fields of activity, new ways of doing things. For five decades, after all, we were denied this freedom. And many people in Latvia are actually proving to be very good at running their new businesses or engaging in their previous professions in a new way. This broad array of individual, successful endeavors is what you're now seeing in Latvia.

Interview by T.S.

سكيا من الامم

MARKET DIARY

Wall Street Slumps
On New Rate Fears

NEW YORK — U.S. stocks slumped Wednesday for a third day as a Federal Reserve effort to bolster the dollar failed to offset concern about an imminent increase in interest rates.

Mounting evidence of rising inflation led some investors to believe the Fed will raise rates when its policy-making committee meets Nov. 15. That was enough to erase gains made by

nervousness about Treasury refinancing and by the U.S. unemployment report scheduled for release on Friday.

Hugh Johnson, chief investment officer at First Albany Corp., said the Tan Book made it almost certain the Fed would raise rates at the Nov. 15 meeting of its policy-setting Federal Open Market Committee.

"The report essentially confirms what we already knew or strongly suspected, and that is that we are seeing economic activity expand across the board," he said. "The bottom line is that it gives the Fed the ammunition to raise rates at the Nov. 15 meeting. If there's such a thing as a sure bet on Wall Street, this is it."

Looking ahead, analysts said investors were waiting for the Friday release of the Labor Department report on U.S. employment for more concrete signs of what the Fed might do at its policy meeting.

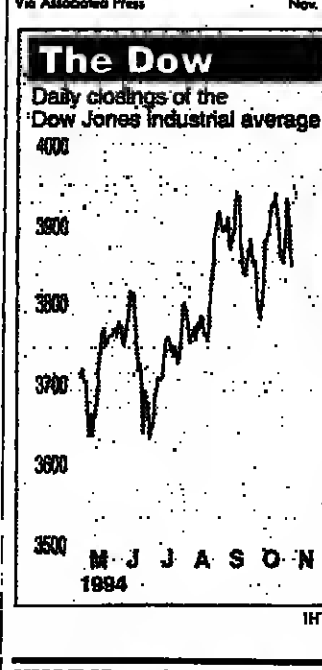
Also on Wednesday, the Commerce Department reported that factory orders declined 0.2 percent in September, while orders for durable goods rose a larger-than-expected 0.4 percent last month.

OfficeMax Inc was the most active U.S. issue. Its initial public offering of 33 million shares rose 5% to 24%. The company operates more than 300 stores selling discount office products.

Biogen rose 1 1/4 to 41 after Kidder and several other houses upgraded the stock's rating, citing the stock's low price.

Intel rose 1 1/2 to 62 1/2 after Goldman Sachs upgraded Cypress Semiconductor to "strong buy" from "moderate outperformer," saying it expected rapid growth in the static random access memory chip market. The upgrade lifted the semiconductor sector as a whole.

The U.S. bond market, which slumped Tuesday, weakened further Wednesday as the 30-year benchmark U.S. Treasury bond's yield rose to 8.09 percent from 8.06 percent. The market was undermined not only by the Tan Book but by



NYSE Most Active

Vol.	High	Low	Last	Chg.
OfficeMax	24.00	23.50	24.00	+0.50
Intel	62.50	61.50	62.50	+1.50
Biogen	41.00	40.00	41.00	+1.25
OfficeMax	24.00	23.50	24.00	+0.50
Intel	62.50	61.50	62.50	+1.50
Biogen	41.00	40.00	41.00	+1.25

NASDAQ Most Active

Vol.	High	Low	Last	Chg.
Novell	115.00	114.00	115.00	+1.00
Microsoft	40.00	39.50	40.00	+0.50
Oracle	25.00	24.50	25.00	+0.50
Novell	115.00	114.00	115.00	+1.00
Microsoft	40.00	39.50	40.00	+0.50
Oracle	25.00	24.50	25.00	+0.50

AMEX Most Active

Vol.	High	Low	Last	Chg.
AMEX	100.00	99.50	100.00	+0.50
AMEX	100.00	99.50	100.00	+0.50
AMEX	100.00	99.50	100.00	+0.50

Market Sales

NYSE	AMEX	NASDAQ
1,234,567	123,456	2,345,678
1,234,567	123,456	2,345,678

Dow Jones Averages

Open	High	Low	Last	Chg.
Indus	3850.00	3840.00	3830.00	-10.00
Transp	1310.00	1300.00	1290.00	-10.00
Com	1250.00	1240.00	1230.00	-10.00

Standard & Poor's Indexes

Industrials	High	Low	Close	Chg.
Industrials	550.00	540.00	540.00	-10.00
Utilities	120.00	115.00	115.00	-5.00
Finance	150.00	145.00	145.00	-5.00

NYSE Indexes

Composite	High	Low	Close	Chg.
Composite	250.00	245.00	245.00	-5.00
Finance	150.00	145.00	145.00	-5.00
Health	100.00	95.00	95.00	-5.00

NASDAQ Indexes

Composite	High	Low	Close	Chg.
Composite	700.00	690.00	690.00	-10.00
Health	150.00	145.00	145.00	-5.00
Finance	100.00	95.00	95.00	-5.00

Advanced	250	184
Declined	329	387
Unchanged	229	239
Total Issues	808	810
New Highs	13	10
New Lows	39	40

NASDAQ Diary

	Close	Prev.
Advanced	1560	1219
Declined	1705	2028
Unchanged	1846	1865
Total Issues	111	512
New Highs	102	80
New Lows	101	103

Dow Jones Bond Averages

Open	High	Low	Last	Chg.
Indus	100.00	99.50	99.50	-0.50
Transp	100.00	99.50	99.50	-0.50
Com	100.00	99.50	99.50	-0.50

NYSE Diary

Advanced	Declined	Unchanged
Advanced	Declined	Unchanged
Advanced	Declined	Unchanged

AMEX Diary

Advanced	Declined	Unchanged
Advanced	Declined	Unchanged
Advanced	Declined	Unchanged

NASDAQ Diary

Advanced	Declined	Unchanged
Advanced	Declined	Unchanged
Advanced	Declined	Unchanged

Spot Commodities

Commodity	Today	Prev.
Commodity	Today	Prev.
Commodity	Today	Prev.

EUROPEAN FUTURES

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

Metals

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

Stock Indexes

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

Financial

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

Dividends

Company	Per Amt	Rec	Pay
Company	Per Amt	Rec	Pay
Company	Per Amt	Rec	Pay

Industrials

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

Grains

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

Toronto

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

Sydney

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

Paris

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

Tokyo

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

Zurich

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

Stock Closed

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

Stockholm

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

For investment information

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

U.S./AT THE CLOSE

Fed Says Inflation Signs Are Limited

WASHINGTON (Combined Dispatches) — U.S. producer prices are continuing to rise, leading to increased reports of manufacturers passing along those higher costs in their selling prices, the Federal Reserve said Wednesday.

But most Fed districts are reporting no change in retail prices, although "pressure is building in some districts," the Fed said in its so-called Tan Book. The report said the nation was experiencing a broad expansion with limited signs of inflation.

Separately, the Commerce Department said that factory orders declined 0.2 percent in September, while the index of leading indicators — a gauge of economic growth over the next half year — held steady.

(AP, Bloomberg, Knight-Ridder)

Microsoft Announces Partnerships

NEW YORK (Combined Dispatches) — Microsoft Corp. announced Wednesday it had eight new partners in its pursuit of a strategy for deploying a set of interactive software technologies that extend from the local cable operator's offices to the consumer's living room.

The partners are Hewlett-Packard Co., network operators U.S. West Inc., Telstra Corp. of Australia, Deutsche Telekom and systems integration companies including NTT Data, Olivetti SpA, Anderson Consulting and Alcatel Cable.

(NYT, AP, Knight-Ridder)

Kantor Gives a Nod to Singapore

WASHINGTON (Reuters) — U.S. Trade Representative Mickey Kantor on Wednesday signaled an end to a trade dispute with Singapore.

The dispute broke out between the two countries over the punishment of an American teenager who was convicted in Singapore of vandalism. At the time, Mr. Kantor said he would block Singapore's bid to host the first ministerial meeting of the so-called World Trade Organization, which will replace the General Agreement on Tariffs and Trade next year.

Revealing a compromise to break the impasse, Mr. Kantor said the first WTO ministerial session was now set to take place in Geneva and that the second meeting could then go to Singapore.

U.S. West Discussing Cable Stake

NEW YORK (Bloomberg) — U.S. West Inc., a regional telephone company, is among a number of suitors discussing buying or acquiring a stake in Continental Cablevision Inc., a closely held cable television company in Boston, according to an investment banker familiar with the discussions.

Continental Cable has held talks with some potential partners for several months and has slowly been narrowing the field to a few, including U.S. West and possibly a long-distance carrier, the banker said.

Former Towers Executive Settles

NEW YORK (Bloomberg) — Steven Hoffenberg, the former chairman of Towers Financial Corp., agreed to pay \$60 million to settle allegations that he defrauded investors who bought more than \$460 million of the hill-collection company's bonds and notes, the Securities and Exchange Commission said Wednesday. Under the settlement with the SEC, which sued him in 1993, Mr. Hoffenberg also is barred from running a public company. The settlement includes \$29.2 million for the return of allegedly illegal profits, \$7.9 million in interest and \$22.8 million in penalties.

CompUSA Posts First Quarter Loss

DALLAS (AP) — CompUSA Inc. said Wednesday its loss widened in the first quarter of its financial year despite a 34 percent increase in sales.

During the quarter ended Sept. 24, CompUSA posted a loss of \$3.15 million on sales of \$585.7 million. The company recorded a \$986,000 loss on sales of \$436.6 million a year ago. CompUSA is the largest U.S. computer retailer.

For the Record

First Data Corp., the world's largest processor of credit-card transactions for banks, agreed to buy Card Establishment Services Inc. for \$500 million in stock and will assume about \$180 million of its debt.

Rockwell International Corp., the aerospace, automotive and electronics company, said its fourth-quarter profit rose 10 percent to \$165 million because of increased sales from commercial and international markets.

(Knight-Ridder, Bloomberg)

MUSIC: Smaller Labels See Opportunity for Resurgence as Major Record Companies Play Musical Chairs

Continued from Page 11

since then Mr. Morgado and Mr. Morris have changed the leadership at all three of the company's labels: Warner Brothers, Elektra and Atlantic. Sylvia Rhone, former head of Atlantic's East West label, was named chief of Elektra Entertainment this summer.

Danny Goldberg, the head of Atlantic Records, is expected to be named chairman of Warner Brothers. Val Azzoli, the top

marketing executive at Atlantic, is expected to move into the top spot there.

Last week, as an open revolt seemed to sweep Warner Music, several people were fired at Elektra. Heads may soon roll at Warner Brothers, and such popular artists as the rock group R.E.M. have threatened to leave the Warner Music fold.

Industry analysts say all this reflects badly on Mr. Morgado and his boss, the chairman of

Time Warner, Gerald M. Levin. And some industry executives say they expect Mr. Morgado to leave, in the wake of the announcement by Time Warner's board Monday that it had named an outside director, Richard D. Parsons, to the new position of president of Time Warner — a job Mr. Morgado was thought to covet.

Despite the chaos, much of the recording industry remains a money machine. Music gener-

ates more cash than either publishing or movies and requires less investment than cable television. And while music is more tangible than "interactive media," it is just as big.

Warner Music, for example, which had revenue of \$3.3 billion last year, is on its way to a banner year in profits with a relatively minimal capital investment, said John Reidy, an analyst for Smith Barney.

"They may have put in \$50 mil-

lion to generate \$700 million," he said.

Warner Music is unlikely to see any near-term erosion in its position as the industry's leader, with a market share of nearly 22 percent — well ahead of the second-highest record distributor, Sony Music.

Though the in-fighting has not been as public, other big recording companies have seen similar discord, as corporate executives, who see music as a

cash cow, have riled the recording people, who say those who watch the bottom line stifle creativity.

"Four of the six heads of major record companies have little or no background in the business," said one executive, citing Mr. Morgado at Warner Music, Michael Dornemann at BMG, James Ffield at EMI, and Michael Schulhof at Sony. "If you didn't grow up in the business, you don't get the gestalt."

WORLD STOCK MARKETS

Agencies: Reuters, Nov. 2

Amsterdam

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

Brussels

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

Frankfurt

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

London

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

Madrid

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

Milan

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

Stockholm

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

Zurich

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.

Montreal

Open	High	Low	Last	Chg.
Open	High	Low	Last	Chg.
Open				

First-Time Job-Seekers Lift French Unemployment

Compiled by Our Staff From Dispatches
PARIS — French unemployment rose to a record 3.35 million, or 12.7 percent of the work force, in September as economic recovery brought thousands of job-seekers into the labor market, official figures released Wednesday showed.

But economists said the poor figures disguised an improving underlying trend and that unemployment would be on a downward path ahead of the presidential election next spring.

"It is a bit disappointing for the government. But the labor market situation does look as if it is getting better," Esther Baroudy, an economist at Credit Lyonnais, said.

The Labor Ministry said the number of unemployed rose 13,900 in September, taking the seasonally adjusted total to 3,351,900 and beating the record set in May of 3,346,600.

The jobless rate of 12.7 percent is based on stricter International Labor Organization criteria, which exclude job-seekers who did any work at all

during the month. It compares with 12.6 percent in August and 12.7 percent in May.

The conservative government of Prime Minister Edouard Balladur, under pressure to do something about joblessness before the presidential election,

Output Stabilizes In West Germany

Compiled by Our Staff From Dispatches
BONN — West German industrial output stabilized in September after falling sharply in August, the Economics Ministry said Wednesday.

The ministry said output fell a preliminary 0.2 percent in September from August but added that it expected the final September data to show that output actually rose by around 1.5 percent in September.

Economists said they were not worried by the slight fall in the September data as long as the upward revision was carried out.

(Reuters, Bloomberg)

ried to put a positive spin on the results.

Labor Minister Michel Giraud said the September rise was due to an eight-year high in the number of first-time job-seekers. This offset jobs created by economic recovery.

Despite efforts to adjust for seasonal effects, France traditionally shows a rise in unemployment in September and October as young people who have left school join the labor force.

The ministry also said the rise in unemployment principally affected women, suggesting that women who had been discouraged from seeking work by the poor economic environment were returning to the work force.

Economists have long warned that the return to the labor market of such "discouraged workers" would diminish the impact of renewed growth on unemployment figures.

Mr. Giraud said the government was sticking to its forecast that unemployment would stabilize at the end of the 1994 and fall in 1995.

(Reuters, Bloomberg, AP)

Marks & Spencer Focuses on Spain In Expansion Bid

Bloomberg Business News

LONDON — Spanish women still fly to London to do their Christmas shopping, but Marks & Spencer underwear no longer figures prominently in their shopping list: They can find it in Spain.

Marks & Spencer PLC, the British retailer known for supplying former Prime Minister Margaret Thatcher with underwear, is expanding its Spanish operations in Madrid and in Valencia.

Marks & Spencer's main Madrid store is on the Calle Serrano, the Spanish equivalent of New York's Fifth Avenue. Its entire fourth floor is dedicated to underwear, which represents 24 percent of Marks & Spencer's total clothing sales.

Four and a half years ago, Marks & Spencer did not even have a store in Spain. Now it has four stores and is opening the fifth in Valencia this month.

"Spain is expanding faster than other countries starting from a lower base," said Robert Hayman, head of corporate affairs for Marks & Spencer Europe.

Marks & Spencer is one of the largest retailers in Britain, selling mainly clothes and food. It has 612 stores worldwide, some under different names, such as Brooks Brothers. The company employs 62,000 people.

Spain is a relatively bright spot in a far from rosy European retailing scene. The company does not break down how much each European country contributes to sales or earnings, but as a percentage of worldwide Marks & Spencer sales, Europe's contribution fell to 3.7 percent in the financial year to March 31 from 3.9 percent in the previous year.

"Europe has been in recession, and Spain has certainly been affected," Mr. Hayman said. "The U.K. had a very good year, as it was pulling out of recession faster."

Richard Greenbury, chairman of Marks & Spencer, said in July that the company would invest more than £1 billion (\$1.6 billion) over three years in expansion in Britain and abroad.

Mr. Hayman said the company was actively seeking expansion in Spain, with negotiations under way to buy sites in Bilbao and Zaragoza, among others.

In Spain, Marks & Spencer competes with department stores such as El Corte

'Spain is expanding faster than other countries.'

Robert Hayman, Marks & Spencer Europe

Ingles and Galerías Preciados, as well as with some of the smaller clothing shops on Calle Serrano.

El Corte Ingles is the largest retailer in Spain, and many of its stores are much bigger than those of Marks & Spencer.

But the five-floor Marks & Spencer store on Serrano competes by using a mixture of what it is known for in Britain — good value at reasonable prices — and local touches.

Almost 90 percent of sales come from clothing, all bearing the company's St. Michael label.

Marks & Spencer carries some clothes made by Cortefiel SA, the Spanish clothing retailer and manufacturer, but these still carry the St. Michael label.

Cortefiel has a 20 percent stake in Marks & Spencer's Spanish operations. The partnership came about because the British company believed it needed an inside track on what seemed like an exotic market.

Russia Vows Steps to Back Ruble

Reuters

MOSCOW — Russia's Security Council said Wednesday that the Oct. 11 "Black Tuesday" plunge in the ruble had threatened market reforms, and it vowed to take urgent measures to stabilize the currency.

A statement by President Boris N. Yeltsin's press service said the council had discussed a report by a commission investigating the crisis.

It said the ruble's drop of more than 20 percent against the dollar had been a threat to national security. The dollar rose close to 4,000 rubles but has since fallen back to 3,093 rubles.

According to the statement, the currency's collapse undermined confidence in the fledgling market, reduced the appeal of long-term capital investment and raised prices.

"The Security Council has ordered the government to take quick and concrete steps to regulate the ruble rate and exchange operations," it said, without giving details of specific measures.

"A blow has been dealt to the reform course, social stability, the living standards of a significant part of the population and the international standing of Russia."

Swiss Bank Corp. Sees Lower Net

Reuters

ZURICH — Swiss Bank Corp., the last of the country's big three banks to report third-quarter results, said Wednesday it expected its net profit this year to fall significantly from the record level of 1993.

Analysts were disappointed and said an expected recovery in the banking sector in the second half of the year had not materialized. They forecast a drop in profit of 15 percent to 30 percent for the major Swiss banks.

Swiss Bank said operating profit in the first nine months was below year-earlier levels, but it gave no figures. It said operating results in the fourth quarter would depend greatly on international developments.

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2300	3400	2800
2200	3300	2700
2100	3200	2600
2000	3100	2500
1900	3000	2400
1800	2900	2300
1700	2800	2200
1600	2700	2100
1500	2600	2000
1400	2500	1900
1300	2400	1800
1200	2300	1700
1100	2200	1600
1000	2100	1500
900	2000	1400
800	1900	1300
700	1800	1200
600	1700	1100
500	1600	1000
400	1500	900
300	1400	800
200	1300	700
100	1200	600
0	1100	500

Exchange	Index	Wednesday Close	Change
Amsterdam AEX	405.75	410.25	+4.50
Brussels Stock Index	7,168.74	7,143.90	-24.84
Frankfurt DAX	2,042.95	2,035.73	-7.22
Frankfurt FAZ	773.76	778.63	+4.87
Helsinki HEX	1,957.53	1,960.23	+2.70
London Financial Times 30	2,951.40	2,951.00	-0.40
London FTSE 100	3,481.30	3,486.30	+5.00
Madrid General Index	265.59	267.54	+1.95
Milan MIBTEL	9,958.00	10,002	+44.00
Paris CAC 40	1,673.56	1,665.56	-8.00
Stockholm Affarsvaerden	1,868.40	1,877.93	+9.53
Vienne Stock Index	423.70	421.09	-2.61
Zurich SBS	834.88	834.53	-0.35

Sources: Reuters, AFP
International Herald Tribune

Very briefly:

- Renault SA's privatization will start Thursday at 165 French francs (\$32) a share. Finance Minister Edmond Alphandery said, valuing the company at just under 40 billion francs.
- Banca Commerciale Italiana SpA bought a 1.3 percent stake in Commerzbank AG, and Mediobanca SpA bought a 0.7 percent stake in the German bank, in transactions totaling 243 million Deutsche marks (\$162 million).
- Christiania Bank og Kreditkasse said its third-quarter net profit rose to 328 million kroner (\$51 million) from 242 million kroner in the 1993 quarter, helped by a cut in loan-loss provisions.
- Banco Central Hispano posted a consolidated net profit of 32.3 billion pesetas (\$259 million) for the first nine months of the year, down 25 percent from the year-earlier period.
- PSA Peugeot Citroën SA's third-quarter sales rose nearly 13 percent, to 37.85 billion French francs (\$7 billion), led by higher sales in France.

AFP, Bloomberg

Akzo Nobel Net Rises 35%

Bloomberg Business News

AMSTERDAM — Akzo Nobel NV posted a 35 percent gain in third-quarter profit Wednesday, tracking a chemicals sector revived by economic recovery, and said second-half results would be in line with expectations.

Higher sales across all divisions drove profit excluding one-time items to 322 million guilders (\$192 million) from 239 million guilders in the third quarter of 1993.

Sales rose 4.4 percent, to 5.42 billion guilders from 5.19 billion guilders.

Price rises for its products were offset by higher raw material costs, and a lower dollar harmed U.S. sales results, analysts said.

Akzo Nobel, the Netherlands' largest chemical company, said it still expected second-half earnings to be higher than last year's 460 million guilders.

Tobacco Sales In U.S. Power BAT's Profit

Reuters

LONDON — The British tobacco and insurance company BAT Industries PLC said Wednesday that profit for the third quarter rose 21 percent, to \$551 million (\$900 million), boosted by a recovery in the U.S. tobacco market.

"Once again the star performer was the U.S. domestic market, where our volume, market share and profits all grew very strongly," said Sir Patrick Sheehy, the company's chairman.

The group also said it was convinced that its stalled bid of \$1 billion for American Tobacco Inc.'s American Tobacco operations would not be anti-competitive as was claimed by the U.S. Federal Trade Commission.

Sweden's New Budget Calls for Higher Taxes

Compiled by Our Staff From Dispatches

STOCKHOLM — Sweden's new government presented a budget Wednesday calling for higher taxes and spending cuts that would cut 57.1 billion kroner (\$8 billion) from the budget deficit over the next four years.

The plan presented by Finance Minister Göran Persson calls for 31.6 billion kroner in tax increases and 25.5 billion kroner in spending cuts.

For the 1995 budget year, which runs from July 1, 1995, through Dec. 31, 1996, Mr. Persson called for 12.1 billion kroner in spending cuts and 17.7 billion kroner in additional taxes.

Mr. Persson said the budget would be implemented in two stages, with the higher taxes starting Jan. 1 and spending cuts starting July 1.

Financial markets showed little reaction to the plan, with the benchmark Affarsvaerden

index in Stockholm slipping 0.5 percent, to 1,868.40 points.

Peter Granqvist, an economist with Swedbank, said the proposal was slightly better than expected but that interest rates had not come down, because "there are still a lot of question marks."

The yield on the benchmark 10-year Swedish government bond rose to 11.20 percent from 11.05 percent Tuesday.

(AFP, AFX, Bloomberg)

SE Bank Profit Rises

Skandinaviska Enskilda Banken said lower charges for bad debts allowed it to post operating profit of 2.88 billion kroner for the first nine months of the year, up from 71 million kroner in the 1993 nine-month period, Bloomberg Business News reported.

NYSE

Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg										
IBM	120.00	118.00	119.00	0.00	4.5	100	120.00	118.00	119.00	0.00
Microsoft	60.00	58.00	59.00	0.00	12.0	100	60.00	58.00	59.00	0.00
Apple	40.00	38.00	39.00	0.00	15.0	100	40.00	38.00	39.00	0.00
Oracle	30.00	28.00	29.00	0.00	18.0	100	30.00	28.00	29.00	0.00
Sun	20.00	18.00	19.00	0.00	20.0	100	20.00	18.00	19.00	0.00
HP	15.00	14.00	14.50	0.00	22.0	100	15.00	14.00	14.50	0.00
Intel	10.00	9.00	9.50	0.00	25.0	100	10.00	9.00	9.50	0.00
Motorola	8.00	7.00	7.50	0.00	28.0	100	8.00	7.00	7.50	0.00
Texas Instruments	6.00	5.00	5.50	0.00	30.0	100	6.00	5.00	5.50	0.00
Advanced Micro Devices	4.00	3.00	3.50	0.00	35.0	100	4.00	3.00	3.50	0.00
Linear Technology	3.00	2.00	2.50	0.00	40.0	100	3.00	2.00	2.50	0.00
Maxim Integrated	2.00	1.00	1.50	0.00	45.0	100	2.00	1.00	1.50	0.00
National Semiconductor	1.00	0.50	0.75	0.00	50.0	100	1.00	0.50	0.75	0.00
Rockwell International	0.50	0.25	0.375	0.00	60.0	100	0.50	0.25	0.375	0.00
Signetics	0.25	0.125	0.1875	0.00	70.0	100	0.25	0.125	0.1875	0.00
Western Digital	0.125	0.0625	0.09375	0.00	80.0	100	0.125	0.0625	0.09375	0.00
Yamaha	0.0625	0.03125	0.046875	0.00	90.0	100	0.0625	0.03125	0.046875	0.00
3M	50.00	48.00	49.00	0.00	10.0	100	50.00	48.00	49.00	0.00
Johnson & Johnson	40.00	38.00	39.00	0.00	12.0	100	40.00	38.00	39.00	0.00
Pfizer	30.00	28.00	29.00	0.00	14.0	100	30.00	28.00	29.00	0.00
Merck & Co.	20.00	18.00	19.00	0.00	16.0	100	20.00	18.00	19.00	0.00
Novartis	15.00	14.00	14.50	0.00	18.0	100	15.00	14.00	14.50	0.00
Schering-Plough	10.00	9.00	9.50	0.00	20.0	100	10.00	9.00	9.50	0.00
Glaxo	8.00	7.00	7.50	0.00	22.0	100	8.00	7.00	7.50	0.00
Roche	6.00	5.00	5.50	0.00	24.0	100	6.00	5.00	5.50	0.00
Sandoz	4.00	3.00	3.50	0.00	26.0	100	4.00	3.00	3.50	0.00
Novo Nordisk	3.00	2.00	2.50	0.00	28.0	100	3.00	2.00	2.50	0.00
Amgen	2.00	1.00	1.50	0.00	30.0	100	2.00	1.00	1.50	0.00
Genentech	1.00	0.50	0.75	0.00	32.0	100	1.00	0.50	0.75	0.00
Regeneron	0.50	0.25	0.375	0.00	34.0	100	0.50	0.25	0.375	0.00
Amgen	0.25	0.125	0.1875	0.00	36.0	100	0.25	0.125	0.1875	0.00
Genzyme	0.125	0.0625	0.09375	0.00	38.0	100	0.125	0.0625	0.09375	0.00
Procter & Gamble	50.00	48.00	49.00	0.00	10.0	100	50.00	48.00	49.00	0.00
Kimberly-Clark	40.00	38.00	39.00	0.00	12.0	100	4			

Wednesday's Closing
Prices include the nationwide prices up to
closing on Wall Street and do not reflect
prices elsewhere. *Via The Associated Press*

12 Month		Div	Yld	PE	52 Wk High	52 Wk Low	Latest Chg
High	Low						
12.25	11.75	1.25	13	11	10.25	10.25	1.00

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12 Month High/Low Stock	Div	Yld PE	52 Wk	High	Low/Latest Cl
1997-1998	0.00	0.00%	10.00	100.00	100.00
1998-1999	0.00	0.00%	10.00	100.00	100.00
1999-2000	0.00	0.00%	10.00	100.00	100.00
2000-2001	0.00	0.00%	10.00	100.00	100.00
2001-2002	0.00	0.00%	10.00	100.00	100.00
2002-2003	0.00	0.00%	10.00	100.00	100.00
2003-2004	0.00	0.00%	10.00	100.00	100.00
2004-2005	0.00	0.00%	10.00	100.00	100.00
2005-2006	0.00	0.00%	10.00	100.00	100.00
2006-2007	0.00	0.00%	10.00	100.00	100.00
2007-2008	0.00	0.00%	10.00	100.00	100.00
2008-2009	0.00	0.00%	10.00	100.00	100.00
2009-2010	0.00	0.00%	10.00	100.00	100.00
2010-2011	0.00	0.00%	10.00	100.00	100.00
2011-2012	0.00	0.00%	10.00	100.00	100.00
2012-2013	0.00	0.00%	10.00	100.00	100.00
2013-2014	0.00	0.00%	10.00	100.00	100.00
2014-2015	0.00	0.00%	10.00	100.00	100.00
2015-2016	0.00	0.00%	10.00	100.00	100.00
2016-2017	0.00	0.00%	10.00	100.00	100.00
2017-2018	0.00	0.00%	10.00	100.00	100.00
2018-2019	0.00	0.00%	10.00	100.00	100.00
2019-2020	0.00	0.00%	10.00	100.00	100.00
2020-2021	0.00	0.00%	10.00	100.00	100.00
2021-2022	0.00	0.00%	10.00	100.00	100.00
2022-2023	0.00	0.00%	10.00	100.00	100.00
2023-2024	0.00	0.00%	10.00	100.00	100.00
2024-2025	0.00	0.00%	10.00	100.00	100.00
2025-2026	0.00	0.00%	10.00	100.00	100.00
2026-2027	0.00	0.00%	10.00	100.00	100.00
2027-2028	0.00	0.00%	10.00	100.00	100.00
2028-2029	0.00	0.00%	10.00	100.00	100.00
2029-2030	0.00	0.00%	10.00	100.00	100.00
2030-2031	0.00	0.00%	10.00	100.00	100.00
2031-2032	0.00	0.00%	10.00	100.00	100.00
2032-2033	0.00	0.00%	10.00	100.00	100.00
2033-2034	0.00	0.00%	10.00	100.00	100.00
2034-2035	0.00	0.00%	10.00	100.00	100.00
2035-2036	0.00	0.00%	10.00	100.00	100.00
2036-2037	0.00	0.00%	10.00	100.00	100.00

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日期	星期	姓名	性别	年龄	籍贯	职业	住址	备注
1942.12.1	星期一	张三	男	25	山西	农民	山西	
1942.12.2	星期二	李四	女	22	河北	工人	河北	
1942.12.3	星期三	王五	男	30	山东	商人	山东	
1942.12.4	星期四	赵六	女	28	河南	教师	河南	
1942.12.5	星期五	孙七	男	35	浙江	医生	浙江	
1942.12.6	星期六	周八	女	20	江苏	学生	江苏	
1942.12.7	星期日	吴九	男	40	安徽	公务员	安徽	
1942.12.8	星期一	郑十	女	24	湖北	护士	湖北	
1942.12.9	星期二	冯十一	男	32	江西	工程师	江西	
1942.12.10	星期三	陈十二	女	26	福建	记者	福建	
1942.12.11	星期四	林十三	男	38	广东	教授	广东	
1942.12.12	星期五	黄十四	女	21	广西	画家	广西	
1942.12.13	星期六	徐十五	男	33	四川	作家	四川	
1942.12.14	星期日	马十六	女	29	湖南	音乐家	湖南	
1942.12.15	星期一	朱十七	男	31	陕西	科学家	陕西	
1942.12.16	星期二	李十八	女	23	甘肃	舞蹈家	甘肃	
1942.12.17	星期三	王十九	男	36	宁夏	哲学家	宁夏	
1942.12.18	星期四	赵二十	女	27	青海	历史学家	青海	
1942.12.19	星期五	孙二十一	男	34	新疆	地理学家	新疆	
1942.12.20	星期六	周二十二	女	25	内蒙古	天文学家	内蒙古	
1942.12.21	星期日	吴二十三	男	37	黑龙江	生物学家	黑龙江	
1942.12.22	星期一	郑二十四	女	28	吉林	化学家	吉林	
1942.12.23	星期二	冯二十五	男	39	辽宁	物理学家	辽宁	
1942.12.24	星期三	陈二十六	女	29	热河	数学家	热河	
1942.12.25	星期四	林二十七	男	41	察哈尔	天文学家	察哈尔	
1942.12.26	星期五	黄二十八	女	30	绥远	生物学家	绥远	
1942.12.27	星期六	徐二十九	男	42	山西	化学家	山西	
1942.12.28	星期日	马三十	女	31	河北	物理学家	河北	
1942.12.29	星期一	朱三十一	男	43	山东	数学家	山东	
1942.12.30	星期二	李三十二	女	32	河南	天文学家	河南	
1942.12.31	星期三	王三十三	男	44	浙江	生物学家	浙江	

[The page contains dense handwritten notes in German script, which are mostly illegible due to extreme blurring and low resolution.]

1. The first part of the document is a list of names and their corresponding addresses. The names are listed in the left column, and the addresses are listed in the right column. The names are: John A. Smith, John B. Smith, John C. Smith, John D. Smith, John E. Smith, John F. Smith, John G. Smith, John H. Smith, John I. Smith, John J. Smith, John K. Smith, John L. Smith, John M. Smith, John N. Smith, John O. Smith, John P. Smith, John Q. Smith, John R. Smith, John S. Smith, John T. Smith, John U. Smith, John V. Smith, John W. Smith, John X. Smith, John Y. Smith, John Z. Smith. The addresses are: 123 Main St., 456 Main St., 789 Main St., 101 Main St., 202 Main St., 303 Main St., 404 Main St., 505 Main St., 606 Main St., 707 Main St., 808 Main St., 909 Main St., 1010 Main St., 1111 Main St., 1212 Main St., 1313 Main St., 1414 Main St., 1515 Main St., 1616 Main St., 1717 Main St., 1818 Main St., 1919 Main St., 2020 Main St., 2121 Main St., 2222 Main St., 2323 Main St., 2424 Main St., 2525 Main St., 2626 Main St., 2727 Main St., 2828 Main St., 2929 Main St., 3030 Main St., 3131 Main St., 3232 Main St., 3333 Main St., 3434 Main St., 3535 Main St., 3636 Main St., 3737 Main St., 3838 Main St., 3939 Main St., 4040 Main St., 4141 Main St., 4242 Main St., 4343 Main St., 4444 Main St., 4545 Main St., 4646 Main St., 4747 Main St., 4848 Main St., 4949 Main St., 5050 Main St., 5151 Main St., 5252 Main St., 5353 Main St., 5454 Main St., 5555 Main St., 5656 Main St., 5757 Main St., 5858 Main St., 5959 Main St., 6060 Main St., 6161 Main St., 6262 Main St., 6363 Main St., 6464 Main St., 6565 Main St., 6666 Main St., 6767 Main St., 6868 Main St., 6969 Main St., 7070 Main St., 7171 Main St., 7272 Main St., 7373 Main St., 7474 Main St., 7575 Main St., 7676 Main St., 7777 Main St., 7878 Main St., 7979 Main St., 8080 Main St., 8181 Main St., 8282 Main St., 8383 Main St., 8484 Main St., 8585 Main St., 8686 Main St., 8787 Main St., 8888 Main St., 8989 Main St., 9090 Main St., 9191 Main St., 9292 Main St., 9393 Main St., 9494 Main St., 9595 Main St., 9696 Main St., 9797 Main St., 9898 Main St., 9999 Main St.

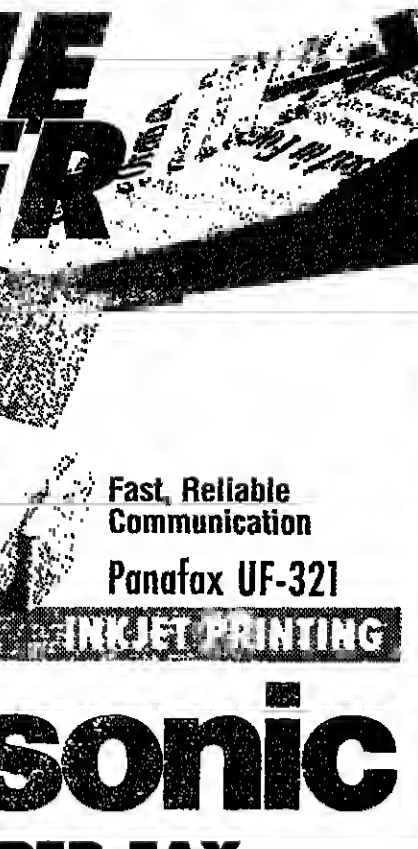
一、關於本會之組織
 二、關於本會之經費
 三、關於本會之業務
 四、關於本會之紀律
 五、關於本會之其他事項
 六、關於本會之附屬機構
 七、關於本會之對外關係
 八、關於本會之內部管理
 九、關於本會之法律地位
 十、關於本會之未來發展
 十一、關於本會之歷史沿革
 十二、關於本會之宗旨與目標
 十三、關於本會之成員資格
 十四、關於本會之選舉程序
 十五、關於本會之監督機制
 十六、關於本會之透明度
 十七、關於本會之社會責任
 十八、關於本會之國際合作
 十九、關於本會之宣傳與公關
 二十、關於本會之檔案管理
 二十一、關於本會之資訊科技應用
 二十二、關於本會之環境保護
 二十三、關於本會之安全防範
 二十四、關於本會之危機處理
 二十五、關於本會之倫理規範
 二十六、關於本會之文化建設
 二十七、關於本會之體育活動
 二十八、關於本會之藝術欣賞
 二十九、關於本會之科學普及
 三十、關於本會之公益服務
 三十一、關於本會之慈善事業
 三十二、關於本會之社會公益
 三十三、關於本會之社區參與
 三十四、關於本會之青年工作
 三十五、關於本會之婦女工作
 三十六、關於本會之兒童工作
 三十七、關於本會之殘疾人工作
 三十八、關於本會之老年人工作
 三十九、關於本會之少數民族工作
 四十、關於本會之宗教事務
 四十一、關於本會之外事工作
 四十二、關於本會之僑務工作
 四十三、關於本會之對台工作
 四十四、關於本會之港澳工作
 四十五、關於本會之國際交流
 四十六、關於本會之對外宣傳
 四十七、關於本會之公共關係
 四十八、關於本會之媒體合作
 四十九、關於本會之網路平台
 五十、關於本會之資料庫建設
 五十一、關於本會之文書管理
 五十二、關於本會之印章使用
 五十三、關於本會之信託手續
 五十四、關於本會之保險業務
 五十五、關於本會之稅收申報
 五十六、關於本會之財務審計
 五十七、關於本會之資產評估
 五十八、關於本會之法律顧問
 五十九、關於本會之訴訟代理
 六十、關於本會之仲裁申請
 六十一、關於本會之和解協議
 六十二、關於本會之調解委員會
 六十三、關於本會之爭議解決
 六十四、關於本會之法律風險
 六十五、關於本會之合規管理
 六十六、關於本會之反貪污措施
 六十七、關於本會之反腐败教育
 六十八、關於本會之廉政建設
 六十九、關於本會之勤政愛民
 七十、關於本會之服務意識
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 七十四、關於本會之工作紀律
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 七十八、關於本會之工作責任
 七十九、關於本會之工作誠信
 八十、關於本會之工作團結
 八十一、關於本會之工作和諧
 八十二、關於本會之工作穩定
 八十三、關於本會之工作繁榮
 八十四、關於本會之工作進步
 八十五、關於本會之工作創新
 八十六、關於本會之工作改革
 八十七、關於本會之工作開放
 八十八、關於本會之工作包容
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 九十一、關於本會之工作自由
 九十二、關於本會之工作法治
 九十三、關於本會之工作正義
 九十四、關於本會之工作公平
 九十五、關於本會之工作公開
 九十六、關於本會之工作透明
 九十七、關於本會之工作誠實
 九十八、關於本會之工作守信
 九十九、關於本會之工作負責
 一百、關於本會之工作認真
 一百零一、關於本會之工作細心
 一百零二、關於本會之工作耐心
 一百零三、關於本會之工作恒心
 一百零四、關於本會之工作毅力
 一百零五、關於本會之工作勇氣
 一百零六、關於本會之工作智慧
 一百零七、關於本會之工作才幹
 一百零八、關於本會之工作能力
 一百零九、關於本會之工作經驗
 一百一十、關於本會之工作知識
 一百一十一、關於本會之工作技能
 一百一十二、關於本會之工作素養
 一百一十三、關於本會之工作修為
 一百一十四、關於本會之工作境界
 一百一十五、關於本會之工作高度
 一百一十六、關於本會之工作深度
 一百一十七、關於本會之工作廣度
 一百一十八、關於本會之工作溫度
 一百一十九、關於本會之工作厚度
 一百二十、關於本會之工作長度
 一百二十一、關於本會之工作寬度
 一百二十二、關於本會之工作高度
 一百二十三、關於本會之工作深度
 一百二十四、關於本會之工作廣度
 一百二十五、關於本會之工作溫度
 一百二十六、關於本會之工作厚度
 一百二十七、關於本會之工作長度
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China's Output Raises Fear of New Price Surge

Compiled by Our Staff From Dispatches

BEIJING — China's industrial output jumped 26.4 percent in October over the year-earlier month, indicating the economy was again gathering steam, the official China Securities newspaper reported Wednesday.

Preliminary figures released by the State Information Center showed that production reached 368 billion yuan (\$43 billion), the newspaper said. The figure for October compared with rises of 21.8 percent in September and 17.6 percent in August.

If these figures are confirmed, they will reinforce concerns that Beijing's policies are failing to curb either inflation or the country's speedy growth.

Output of light industries increased an estimated 29.6 percent in October, while that of heavy industries increased 23.4 percent, the newspaper said.

China Securities said retail sales for the month would reach 143.5 billion yuan, up 36.5 percent from the same period last year. Retail sales increased 10 percent in real terms, indicating a retail inflation rate of 26.5 percent.

Inflation remains high in coastal cities and has spread to rural and inland areas, the paper said.

In March, Prime Minister Li Peng set a target of single-digit inflation and economic growth for 1994. After the first three quarters, however, the annual rates were 27.4 percent for consumer price inflation and 11.4 percent for gross domestic product growth.

China Securities said price rises were easing in some major cities, including Beijing and Shanghai.

Industrial output in November is expected to be 382 billion yuan, up 23 percent from last year, while retail sales will total 149 billion yuan, up 35 percent, the paper said. (Bloomberg, AP)

Citicorp Prods Beijing

With the global banking industry in decline, Citicorp Chairman John Reed said the American banking giant was looking to China to improve business but Beijing was not cooperating. Bloomberg Business News reported from Hong Kong.

Foreign banks have not received the green light to conduct yuan business in China, he said, primarily because Chinese officials feel that local banks are not yet ready to meet the competition.

"We're seeking more rapidly than the government of China is willing to permit, to return fully to China," Mr. Reed said.

India Going Electronic Debut for Computerized Stock Market

Bloomberg Business News

NEW DELHI — According to its promoters, India's electronic National Stock Exchange will have nearly everything going for it when it starts up Thursday: speed, transparency and lower cost for investors.

Officials of the Bombay-based exchange are counting on its image of computerized efficiency to lure investors from the Bombay Stock Exchange, which over the years has built a reputation for inefficiency and price manipulation.

"We hope to give tremendous competition to the Bombay Stock Exchange," said Ravi Narain, the national exchange's deputy managing director.

The National Stock Exchange was created two years ago by the Securities and Exchange Board, India's market regulator, partly in despair over loose trading practices on the Bombay exchange.

A group of financial institutions and banks put up 250 million rupees (\$8 million) in initial capital, with working capital to come from membership and trading fees.

Initially, 200 companies' shares will be traded, representing about 80 percent of the Bombay exchange's market capitalization of about \$120 billion. The new exchange plans to trade 500 stocks within six months.

Brokers said it would be some time before the new exchange seriously challenged Bombay's position as the premier Indian stock exchange. But they said the NSE had several advantages over its rival.

On the NSE, a central computer in Bombay will display prices on a screen so that investors will know instantly the price at which they have bought or sold.

Investors' principal complaint about the Bombay exchange is that buy and sell quotes are not displayed for all traders to see. This, investors say, gives market-makers an opportunity to manipulate prices.

"On the NSE, brokers will not have to prove their honesty, because the system is transparent," said Srinivas Subramanian, head of the brokerage firm HG Asia in India. Gul Tekchandani, a fund manager with Infrastructure Leasing & Financial Services, said investors would also find it cheaper to trade on NSE than on the Bombay exchange.

'Brokers will not have to prove their honesty, because the system is transparent.'

Srinivas Subramanian, head of the HG Asia brokerage firm in India

because the electronic exchange will have no market-makers taking a cut of trading profits. The NSE also will be more accessible than the Bombay exchange, staying open five hours a day, compared with two to 2 1/2 hours for Bombay.

Nevertheless, the new exchange may need to resolve a few start-up problems before it can fulfill its promise.

First, Indian law requires the settlement of stock trades by the physical delivery of securities. Until a new depository law passes the Indian Parliament — perhaps by the middle of next year — the ultramodern NSE, like its more old-fashioned competitors, will have to handle huge mounds of paper certificates.

How huge? A typical two-week trading period on the Bombay exchange can generate 150,000 trades and 60 million pieces of paper, according to Bhagirth Merchant, president of the exchange. The NSE, with its electronic system and longer hours, could generate three times that amount.

New Chief Outlines Thai Bank Expansion

Compiled by Our Staff From Dispatches

BANGKOK — The newly appointed president of Bangkok Bank Ltd. outlined Wednesday a modest policy of continued expansion for Thailand's largest commercial bank, aiming for annual growth of 15 percent.

Chatsiri Sophonpanich, 35, follows in the footsteps of his father, Chat, 60, who is executive board chairman of Thailand's largest bank and was president for more than a decade.

"This is a personal challenge for me," Mr. Chatsiri said of his appointment. "But this is not a major change in direction, because all the senior management will continue with their own responsibilities. We have a strong team."

Mr. Chatsiri indicated Bangkok Bank would seek more business outside Thailand, adding that it was already negotiating for a branch license in Manila and considering establishing operations in China.

Vichit Suraphongchai, 45, the previous president, announced in March that he was resigning "for health reasons." His resignation took effect Sept. 30. Last week he was appointed minister of transport and communications.

Bangkok Bank, founded 50 years ago by Mr. Chatsiri's grandfather Chin, had assets at the end of last year of 783 billion baht (\$31 billion), ranking it first in Thailand and third in Southeast Asia.

The bank reported a net profit for the quarter ended Sept. 30 of 4.36 billion baht, an increase of 31 percent from a year earlier. For the first nine months of the year, the bank's net profit was 12.7 billion baht, an increase of 23 percent.

Mr. Chatsiri's growth goal of 15 percent is conservative in Thailand's fast-paced economy. But he said he anticipated banking would soon become more competitive in Thailand.

Bangkok Bank would have to make "adjustments to meet customer demand" and build branches outside the Thai capital, he said.

(AFP, Bloomberg)

Investor's Asia				
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Exchange Index		Wednesday Close		Change
Hong Kong	Hang Seng	8,451.78	8,578.40	+127
Singapore	Straits Times	2,013.89	2,028.00	+0.79
Sydney	All Ordinaries	19,750.65	19,916.48	+0.83
Tokyo	Nikkei 225	1,893.58	1,898.58	Unch.
Kuala Lumpur	Composite	1,523.10	1,538.48	+0.46
Bangkok	SET	1,106.74	1,108.43	+0.24
Seoul	Composite Stock	6,342.55	6,201.21	+2.28
Taipei	Weighted Price	3,090.55	3,068.52	+0.72
Manila	PSE	524.08	524.65	-0.11
Jakarta	Stock Index	2,108.73	2,108.32	-0.03
New Zealand	NZSE-40	2,021.66		
Bombay	National Index			

Very briefly:

- Samsung Electronics Co. of South Korea plans to build a \$3 billion electronics complex near Beijing over the next 20 years.
- Securities One Ltd., Thailand's largest brokerage firm in terms of client transactions, said net profit for the quarter ended Sept. 30 more than doubled to 295.4 million baht (\$12 million).
- GVC Corp., which makes modems, raised its 1994 profit forecast 35 percent, to 708.8 million Taiwan dollars (\$26 million).
- Nippon Telegraph & Telephone Corp., Japan's largest telecommunications company, has agreed to lower its requested rate increase to 16 percent from 19 percent.
- China said it would launch a massive program next year to draw up an inventory of state-owned assets and re-examine state-held capital funds nationwide.
- NTT Data Communications Systems Corp., a unit of Nippon Telegraph & Telephone Corp., said it had agreed to market Microsoft Corp.'s Tiger video-on-demand system in Japan.

Bloomberg, AFP, APX

Japan Orders Help Komatsu

Bloomberg Business News

TOKYO — Komatsu Ltd. said Wednesday that a budding economic recovery in Japan helped it offset falling overseas sales and post a 5 percent rise in profit in the six months to Sept. 30.

Komatsu's current, or pretax, profit for the period rose to 7.37 billion yen (\$76 million), despite a 3 percent slump in sales, to 235.45 billion yen.

Suharto Calls for Inflation Below 10%

Reuters

JAKARTA — President Suharto on Wednesday ordered government ministers to help curb inflation, saying it should be kept below 10 percent for the calendar year.

Economists have warned that cement and rice prices, and a 7.8 percent increase in electricity rates, were pushing inflation into double digits. Year-on-year figures released Wednesday showed the inflation rate rising to 9.21 percent from September's 8.89 percent.

"Inflation in October is still high, and there are only two months before the end of calendar 1994," Mr. Suharto was quoted by Information Minister Harmoko as saying. "All ministers must pay attention and

coordinate among themselves to keep inflation below 10 percent in 1994." Inflation is a sensitive issue with implications for stability in Indonesia, where one-sixth of the 188 million people live below the official poverty line.

Indonesia's consumer price index rose 0.89 percent in October, up from rises of 0.53 percent in September and 0.59 percent in October 1993, Mr. Harmoko said. He blamed increased prices of housing, food, textile and services for the rise.

Inflation is based on the consumer price index, calculated from prices of around 200 commodities in 27 cities. Finance Minister Marius Muhammad said that after the meeting with Mr. Suharto, he was convinced that inflation in 1994 would be below 10 percent.

Indonesia raised its electricity rates last month by 9 percent for households and 7.54 percent for industry.

Vietnam Misses Inflation Target

Vietnam said it had failed in its effort to keep price rises to single figures for 1994, reporting 11.3 percent inflation for the first 10 months, Reuters reported from Hanoi.

A big increase in food costs, apparently due to higher rice prices caused by floods in the Mekong Delta and market fluctuations, fueled the retail price increase, the government's statistics department said in its weekly review.

The National Assembly again set single-digit inflation as the target when it fixed economic goals for 1995 on Tuesday.

INTERNET: Turn to Home Page VIETNAM: Cultural Differences

Continued from Page 11

building the 'World Wide Web' into a global information resource.

"The emergence of Mosaic and the World Wide Web is the most exciting computing development in a decade," said Dale Dougherty, publisher of the Global Network Navigator.

Network statistics would seem to bear that out. While the Internet has millions of users and is believed to be doubling in size every year, the World Wide Web is doubling every few months — in terms of the number of new databases being registered and the flow of data traffic in and out of them.

There are already nearly 10,000 so-called Web server computers reachable via the Internet. A year ago there were fewer than 500.

The World Wide Web was conceived in 1989 at the European Laboratory for Particle Physics in Geneva. The creators set up the Web as a way to distribute and peruse document-based information among high-energy physicists around the world.

The Web did not go into overdrive until the development a few years later of Mosaic, navigational software that takes specific advantage of the Web's coding system.

Mosaic was developed by a team of young programmers at the National Center for Supercomputing Applications at the University of Illinois.

In keeping with the philosophy of openness on the global computer network, Mosaic's developers began distributing free copies to noncommercial users over the Internet.

Several of the original developers of Mosaic left the university to join with Jim Clark, a founder of Silicon Graphics, in creating versions of the software for commercial users. Mr. Clark's company, Mosaic Communications, sells so-called server versions of the software for \$5,000 but gives the individual-user version away.

"The servers themselves are becoming easy to configure and set up," said Russ Jones, who develops Internet applications at Digital Equipment Corp. "And a Web browser like Mosaic is really becoming the information access tool of choice."

The number of individual Web users, and developers, is expected to grow quickly in the next year. The makers of the major personal computer operating systems, including Microsoft Windows, Apple Macintosh and IBM OS/2, have announced plans to include in their basic software the means for forging a direct link to the Internet and a browser program — Mosaic or one of its clones — for navigating the Web.

Microsoft Corp., Novell Inc. and other big software companies are planning to include a hypertext language in new versions of their popular word processing programs that will enable users to easily create documents with hypertext links for use on the Web.

Continued from Page 11

banks working in a competitive environment.

Another is paying commissions, a widespread practice in Vietnam that is not considered corrupt here but is not tolerated by most Western companies.

"We found that we had to add a couple of chapters to our handbook," said Susanne Kerkvliet, office administrator at ING in Vietnam. "It raised a few eyebrows back in Holland, but it is necessary to introduce some really basic principles here."

Company loyalty is still another. Having experienced no other employer other than the state for more than 15 years in the South and nearly four decades in the North, most Vietnamese regard corporate identity as a novel concept. Except in a few high-profile operations such as Vietnam Airlines, loyalty in Vietnam is reserved for individuals who are considered good leaders and teachers.

That serves to create a close-knit office culture in a small representative office, but prob-

lems may arise when the expatriate manager leaves, or when the operation expands rapidly, which is what most companies experience.

"I find that I have to use all of my managerial skills," said Maureen Finnegan, who represents Unisys Corp. in Vietnam and has five Vietnamese and three expatriate employees. "The most important is to encourage people a lot and use humor to resolve conflict. Jokes work. It means that my staff can yell at me, too."

Vn Minh Tuan, 25, a sales representative for Unisys, says he appreciates the freedom that comes with a job in an American company. "In Vietnam, everybody suffers from the person above you in the hierarchy. Your main aim is to avoid trouble. Now, I sometimes can make decisions. It brings greater freedom and as well as greater responsibilities."

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Shareholders of Fidelity Global Industries Fund, a société d'investissement à capital variable organised under the laws of the Grand Duchy of Luxembourg ("the Fund"), will be held at the registered office of the Fund, Kansallis House, Place de l'Etoile, Luxembourg, at 11:00 a.m. on November 24, 1994, specifically, but without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors.
2. Presentation of the Report of the Auditor.
3. Approval of the balance sheet and income statement for the fiscal year ended July 31, 1994.
4. Discharge of the Board of Directors and the Auditor.
5. Election of six (6) Directors, specifically the re-election of Messrs. Edward C. Johnson 3rd, Barry R. J. Bateman, Charles T. M. Collis, Sir Charles A. Fraser, Jean Hamillius and H.F. van den Hoven, being all of the present Directors.
6. Election of the Auditor, specifically the election of Coopers & Lybrand, Luxembourg.
7. Consideration of such other business as may properly come before the meeting.

Approval of items 1 through 7 of the agenda will require the affirmative vote of a majority of the shares present or represented at the meeting with a minimum number of shares present or represented in order for a quorum to be present.

Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

Dated: 24th October 1994
BY ORDER OF THE BOARD OF DIRECTORS

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updated twice a year.

12 Month High Low	Stock	Div	Yld	PE	100s	High	Low	Latest	Open
134.12	AA	1.10	4.8	17.4	100	134.12	134.12	134.12	134.12
133.12	AB	1.10	4.8	17.4	100	133.12	133.12	133.12	133.12
132.12	AC	1.10	4.8	17.4	100	132.12	132.12	132.12	132.12
131.12	AD	1.10	4.8	17.4	100	131.12	131.12	131.12	131.12
130.12	AE	1.10	4.8	17.4	100	130.12	130.12	130.12	130.12
129.12	AF	1.10	4.8	17.4	100	129.12	129.12	129.12	129.12
128.12	AG	1.10	4.8	17.4	100	128.12	128.12	128.12	128.12
127.12	AH	1.10	4.8	17.4	100	127.12	127.12	127.12	127.12
126.12	AI	1.10	4.8	17.4	100	126.12	126.12	126.12	126.12
125.12	AJ	1.10	4.8	17.4	100	125.12	125.12	125.12	125.12
124.12	AK	1.10	4.8	17.4	100	124.12	124.12	124.12	124.12
123.12	AL	1.10	4.8	17.4	100	123.12	123.12	123.12	123.12
122.12	AM	1.10	4.8	17.4	100	122.12	122.12	122.12	122.12
121.12	AN	1.10	4.8	17.4	100	121.12	121.12	121.12	121.12
120.12	AO	1.10	4.8	17.4	100	120.12	120.12	120.12	120.12
119.12	AP	1.10	4.8	17.4	100	119.12	119.12	119.12	119.12
118.12	AQ	1.10	4.8	17.4	100	118.12	118.12	118.12	118.12
117.12	AR	1.10	4.8	17.4	100	117.12	117.12	117.12	117.12
116.12	AS	1.10	4.8	17.4	100	116.12	116.12	116.12	116.12
115.12	AT	1.10	4.8	17.4	100	115.12	115.12	115.12	115.12
114.12	AV	1.10	4.8	17.4	100	114.12	114.12	114.12	114.12
113.12	AW	1.10	4.8	17.4	100	113.12	113.12	113.12	113.12
112.12	AX	1.10	4.8	17.4	100	112.12	112.12	112.12	112.12
111.12	AY	1.10	4.8	17.4	100	111.12	111.12	111.12	111.12
110.12	AZ	1.10	4.8	17.4	100	110.12	110.12	110.12	110.12
109.12	BA	1.10	4.8	17.4	100	109.12	109.12	109.12	109.12
108.12	BB	1.10	4.8	17.4	100	108.12	108.12	108.12	108.12
107.12	BC	1.10	4.8	17.4	100	107.12	107.12	107.12	107.12
106.12	BD	1.10	4.8	17.4	100	106.12	106.12	106.12	106.12
105.12	BE	1.10	4.8	17.4	100	105.12	105.12	105.12	105.12
104.12	BF	1.10	4.8	17.4	100	104.12	104.12	104.12	104.12
103.12	BG	1.10	4.8	17.4	100	103.12	103.12	103.12	103.12
102.12	BH	1.10	4.8	17.4	100	102.12	102.12	102.12	102.12
101.12	BI	1.10	4.8	17.4	100	101.12	101.12	101.12	101.12
100.12	BJ	1.10	4.8	17.4	100	100.12	100.12	100.12	100.12
99.12	BK	1.10	4.8	17.4	100	99.12	99.12	99.12	99.12
98.12	BL	1.10	4.8	17.4	100	98.12	98.12	98.12	98.12
97.12	BM	1.10	4.8	17.4	100	97.12	97.12	97.12	97.12
96.12	BN	1.10	4.8	17.4	100	96.12	96.12	96.12	96.12
95.12	BO	1.10	4.8	17.4	100	95.12	95.12	95.12	95.12
94.12	BP	1.10	4.8	17.4	100	94.12	94.12	94.12	94.12
93.12	BQ	1.10	4.8	17.4	100	93.12	93.12	93.12	93.12
92.12	BR	1.10	4.8	17.4	100	92.12	92.12	92.12	92.12
91.12	BS	1.10	4.8	17.4	100	91.12	91.12	91.12	91.12
90.12	BT	1.10	4.8	17.4	100	90.12	90.12	90.12	90.12
89.12	BV	1.10	4.8	17.4	100	89.12	89.12	89.12	89.12
88.12	BW	1.10	4.8	17.4	100	88.12	88.12	88.12	88.12
87.12	BX	1.10	4.8	17.4	100	87.12	87.12	87.12	87.12
86.12	BY	1.10	4.8	17.4	100	86.12	86.12	86.12	86.12
85.12	BZ	1.10	4.8	17.4	100	85.12	85.12	85.12	85.12
84.12	CA	1.10	4.8	17.4	100	84.12	84.12	84.12	84.12
83.12	CB	1.10	4.8	17.4	100	83.12	83.12	83.12	83.12
82.12	CC	1.10	4.8	17.4	100	82.12	82.12	82.12	82.12
81.12	CD	1.10	4.8	17.4	100	81.12	81.12	81.12	81.12
80.12	CE	1.10	4.8	17.4	100	80.12	80.12	80.12	80.12
79.12	CF	1.10	4.8	17.4	100	79.12	79.12	79.12	79.12
78.12	CG	1.10	4.8	17.4	100	78.12	78.12	78.12	78.12
77.12	CH	1.10	4.8	17.4	100	77.12	77.12	77.12	77.12
76.12	CI	1.10	4.8	17.4	100	76.12	76.12	76.12	76.12
75.12	CJ	1.10	4.8	17.4	100	75.12	75.12	75.12	75.12
74.12	CK	1.10	4.8	17.4	100	74.12	74.12	74.12	74.12
73.12	CL	1.10	4.8	17.4	100	73.12	73.12	73.12	73.12
72.12	CM	1.10	4.8	17.4	100	72.12	72.12	72.12	72.12
71.12	CN	1.10	4.8	17.4	100	71.12	71.12	71.12	71.12
70.12	CO	1.10	4.8	17.4	100	70.12	70.12	70.12	70.12
69.12	CP	1.10	4.8	17.4	100	69.12	69.12	69.12	69.12
68.12	CQ	1.10	4.8	17.4	100	68.12	68.12	68.12	68.12
67.12	CR	1.10	4.8	17.4	100	67.12	67.12	67.12	67.12
66.12	CS	1.10	4.8	17.4	100	66.12	66.12	66.12	66.12
65.12	CT	1.10	4.8	17.4	100	65.12	65.12	65.12	65.12
64.12	CV	1.10	4.8	17.4	100	64.12	64.12	64.12	64.12
63.12	CW	1.10	4.8	17.4	100	63.12	63.12	63.12	63.12
62.12	CX	1.10	4.8	17.4	100	62.12	62.12	62.12	62.12
61.12	CY	1.10	4.8	17.4	100	61.12	61.12	61.12	61.12
60.12	CZ	1.10	4.8	17.4	100	60.12	60.12	60.12	60.12
59.12	DA	1.10	4.8	17.4	100	59.12	59.12	59.12	59.12
58.12	DB	1.10	4.8	17.4	100	58.12	58.12	58.12	58.12
57.12	DC	1.10	4.8	17.4	100	57.12	57.12	57.12	57.12
56.12	DD	1.10	4.8	17.4	100	56.12	56.12	56.12	56.12
55.12	DE	1.10	4.8	17.4	100	55.12	55.12	55.12	55.12
54.12	DF	1.10	4.8	17.4	100	54.12	54.12	54.12	54.12
53.12	DG	1.10	4.8	17.4	100	53.12	53.12	53.12	53.12
52.12	DH	1.10	4.8	17.4	100	52.12	52.12	52.12	52.12
51.12	DI	1.10	4.8	17.4	100	51.12	51.12	51.12	51.12
50.12	DJ	1.10	4.8	17.4	100	50.12	50.12	50.12	50.12
49.12	DK	1.10	4.8	17.4	100	49.12	49.12	49.12	49.12
48.12	DL	1.10	4.8	17.4	100	48.12	48.12	48.12	48.12
47.12	DM	1.10	4.8	17.4	100	47.12	47.12	47.12	47.12
46.12	DN	1.10	4.8	17.4	100	46.12	46.12	46.12	46.12
45.12	DO	1.10	4.8	17.4	100	45.12	45.12	45.12	45.12
44.12	DP	1.10	4.8	17.4	100	44.12	44.12	44.12	44.12
43.12	DQ	1.10	4.8	17.4	100	43.12	43.12	43.12	43.12
42.12	DR	1.10	4.8	17.4	100	42.12	42.12	42.12	42.12
41.12	DS	1.10	4.8	17.4	100	41.12	41.12	41.12	41.12
40.12	DT	1.10	4.8	17.4	100	40.12	40.12	40.12	40.12
39.12	DV	1.10	4.8	17.4	100	39.12	39.12	39.12	39.12
38.12	DW	1.10	4.8	17.4	100	38.12	38.12	38.12	38.12
37.12	DX	1.10	4.8	17.4	100	37.12	37.12	37.12	37.12
36.12	DY	1.10	4.8	17.4	100	36.12	36.12	36.12	36.12
35.12	DZ	1.10	4.8	17.4	100	35.12	35.12	35.12	35.12
34.12	EA	1.10	4.8	17.4	100	34.12	34.12	34.12	34.12
33.12	EB	1.10	4.8	17.4	100	33.12	33.12	33.12	33.12
32.12	EC	1.10	4.8	17.4	100	32.12	32.12	32.12	32.12
31.12	ED	1.10	4.8	17.4	100	31.12	31.12	31.12	31.12
30.12	EE	1.10	4.8	17.4	100	30.12	30.12	30.12	30.12
29.12	EF	1.10	4.8	17.4	100	29.12	29.12	29.12	29.12
28.12	EG	1.10	4.8	17.4	100	28.12	28.12	28.12	28.12
27.12	EH	1.10	4.8	17.4	100	27.12	27.12	27.12	27.12
26.12	EI	1.10	4.8	17.4	100	26.12	26.12	26.12	26.12
25.12	EJ	1.10	4.8	17.4	100	25.12	25.12	25.12	25.12
24.12	EK	1.10	4.8	17.4	100	24.12	24.12	24.12	24.12
23.12	EL	1.10	4.8	17.4	100	23.12	23.12	23.12	23.12
22.12	EM	1.10	4.8	17.4	100	22.12	22.12	22.12	22.12
21.12	EN	1.10	4.8	17.4	100	21.12	21.12	21.12	21.12
20.12	EO	1.10	4.8	17.4	100	20.12	20.12	20.12	20.12
19.12	EP	1.10	4.8	17.4	100	19.12	19.12	19.12	19.12
18.12	EQ	1.10	4.8	17.4	100	18.12	18.12	18.12	18.12
17.12	ER	1.10	4.8	17.4	100	17.12	17.12	17.12	17.12
16.12	ES	1.10	4.8	17.4	100	16.12	16.12	16.12	16.12
15.12	ET	1.10	4.8	17.4	100	15.12	15.12	15.12	15.12
14.12	EV	1.10	4.8	17.4	100	14.12	14.12	14.12	14.12
13.12	EW	1.10	4.8	17.4	100	13.12	13.12	13.12	13.12
12.12	EX	1.10	4.8	17.4	100	12.12	12.12	12.12	12.12
11.12	EY	1.10	4.8	17.4	100	11.12	11.12	11.12	11.12

SPORTS

Without Hockey, a Long Winter of Discontent Looms for Canadians

By Joe Lapointe

New York Times Service

VANCOUVER, British Columbia — In conversations about hockey, the passion for the sport among Western Canadians doesn't stop with words. David Maynard, an 18-year-old from Manitoba, recently introduced himself to a group of people in the club car of a westbound train by pulling up his shirt to reveal a red tattoo near his heart. It was the C-H logo of the Montreal Canadiens.

"It's a thing in my family; we've all got one," said Maynard. "My dad has one. My uncles have one. My brother has one. It's something we do on our 18th birthday."

In his hometown of St. John's, a small French-Canadian community, Maynard said, there are "two important things in town, the hockey rink and the Catholic church." Asked about the lockdown that has shut down the National Hockey League season, Maynard replied: "Put it this way: They took away my religion."

Unlike many American hockey fans, people here tend to support the team owners in the conflict over wages — by a margin of about 2-to-1 in Canada, according to polls. They believe that Canadian franchises, particularly in the West, have real financial problems, and that failure to address them will lead to the teams' moving elsewhere. Many also seemed exasperated by arguments about salary and prices. "Salaries are outrageous," said Erin Murray, a young physiotherapist from Winnipeg. "Aren't six figures enough?"

Like others, she believes there is a direct relationship between wages and ticket prices.

"A salary cap is understandable," she said, "just so that the everyday Canadian can actually go to a hockey game."

Over all, the fans seemed to be taking the NHL shutdown with grim patience as October came to a close and the final leaves fell from the trees. But one young photographer said a mood change was near.

"Wait until the snow falls and the weather gets

cold and they're trapped in their houses," he said. "Cabin fever will begin to set in. Then, look out."

In Winnipeg, a prairie city of the wheat belt, they staged a sophisticated version of a barn-raising last week to support the construction of a new, big-league hockey arena. Without one, Winnipeggers and Manitobans fear they will lose their NHL franchise, the Jets, to the United States, possibly to the Twin Cities of Minneapolis and St. Paul, Minnesota, where suitors are wooing the owner.

About 2,000 people listened to several speakers, including Bob Silver, a manufacturer of blue jeans, in the hall of a downtown hotel. Silver acknowledged Minnesota's threat to take his team from his home and native land.

"Well, they just might," Silver said, his voice rising with emotion, "but not without a fight. We're bigger than Minnesota, we're better than Minnesota and we can make it work!"

Later, he said Western Canadians were siding with the team owners in the NHL dispute because they hope wage control will keep the business alive in smaller markets.

"It's an endorsement not only of Winnipeg, but of all the smaller communities, the ones that need the revenue-sharing," Silver said. "Without that, we don't exist, especially cities like this and Calgary, where hockey comes from. We are fanatic about hockey. If we lose it here, we might as well be importing them all from Russia."

In Calgary, a long block of Eleventh Avenue downtown is better known as "Electric Avenue" because it is the brightly lit center of night life.

But on one recent evening, despite clear, crisp weather, there were few live wires sparking the sidewalks, few patrons in the clubs and bars. Part of the blame, especially at "Stinky's Sports Bar & Grill," was being put on the lockdown that has idled the hometown Flames.

When the NHL is playing its regular schedule,

Stinky's does big business, even on weeknights, because it pulls in telecasts of games from out of town through six satellite feeds spread out among 25 monitors.

But on this night, the only events being shown were a tape of the Canada Cup Hockey tournament from 1987 and a tape of the Knicks playing Houston in last June's National Basketball Association finals.

Rob Gradishar, a part-owner of Stinky's, had a frown on his face when he came out from behind the

'Put it this way: They took away my religion.'

David Maynard, Canadian hockey fan

bar to discuss the economic and social impact of the shutdown. Scattered around him were about two dozen customers in an establishment that seats 100 people and accommodates many more standees. He expressed little support for either management or labor.

"I hope they both die of hunger," he said. "Isn't there more than enough money for everybody?"

In Edmonton, even during the lockdown, there is plenty of activity inside Northlands Coliseum, home of the Oilers. Midway through an afternoon last week, the air was filled with construction dust and the banging sounds of carpentry from dozens of workers wearing hard hats.

With October games canceled and November games slipping away, the construction schedule at Northlands has been accelerated. They are installing 35 new luxury suites, which will be sold and controlled by Peter Pocklington, owner of the Oilers.

One of the stated reasons for the lockdown is to retard the growth of salaries so that owners such as Pocklington can stay in business in places such as Edmonton. In recent years, Pocklington accepted large sums of money in deals that sent players like Gretzky to Los Angeles and Mark Messier to New York.

Last season, when Pocklington threatened to sell his team and let it move to the United States, he forced the committee that runs Northlands to give him a new lease with much more favorable terms.

With salary controls a possibility and luxury boxes a reality, Pocklington's Oilers could soon generate a large amount of revenue for their owner. These circumstances draw mixed reactions from their loyal fans, who know the history here.

"It's almost like the owners are Chicken Little," said Dean Wetzel, who works as a resource management planner for the Alberta government. "Instead of crying out that the sky is falling, they run around saying: 'I've been driven into poverty! I've been driven into poverty! I've been driven into poverty!'"

When Arthur Griffiths left Vancouver for a vacation in Hawaii, he said he was a dove on the lockdown. But when he returned last week, the young owner of the Canucks said his position had changed "to more of a hawk."

His change of heart, he said, was caused by the Players Association's refusal to believe that the owners are having financial problems. Despite reaching the Stanley Cup finals last season, the team barely made money, Griffiths said.

"We made \$800,000 net profit on a \$50 million business," he said. "We took in \$9.3 million in the playoffs. It got our bacon out of the fire. The numbers are there despite what the union might want to let you think."

The Canucks raised their admission prices by 45 percent this summer. They lost 1,000 season-ticket holders this summer and gained back only 850 when they raised their admission prices. Single seats cost up to \$59. Seven years ago, he said, his payroll was \$8 million. This season, he said, it will be \$26 million.

So if the hockey business is so bad, why is Griffiths buying up the public stock in his team, increasing his share from 51 percent to 57 percent?

"Economies of scale," he said. Griffiths also is the principal owner of the Vancouver Grizzlies, who begin play in the National Basketball Association next season.

Both the Canucks and the Grizzlies will play in Griffiths's new arena, under construction near the waterfront in this stunningly beautiful city on the Pacific rim. The arena will have 88 luxury boxes that are already all sold out for hockey at up to \$130,000 per season.

A few miles away, at the Britannia Arena in a working-class section of town, hockey economics are a little different for the guys who gather for the pickup game at noon every Friday. They pool their money to rent an hour of ice.

"It's \$3.25 each and goalies play for free," explained Tommy Ho, a center, who had finished another pickup game at another arena around midnight the night before. He pays for his ice time by working at yet another arena, sharpening skates.

Ho sat on a bench, taping up his stick and chatting about the postponed NHL season. Across from him, lacing up his skates, was Gavin Yee, who wore a Philadelphia Flyers style uniform and said the lockdown forced him to cancel his yearly vacation to Philadelphia, where he goes to games at the Spectrum. Down the bench from him was Bob Kralji, a furniture mover who tried to explain why guys around here will pay to play hockey in the middle of the day or night.

"Obviously, I could do other things for the exercise," Kralji said. "Hockey requires a bit of planning and patience and sacrifice. It puts strings on your relationships with your girlfriend and your job."

"But there's something about when winter comes along in Canada," he added. "The culture dictates it. It's a freedom thing. Out there, on the ice, you are flying! You can be a kid again. They could tow my car away and I wouldn't get off the ice to stop them. I'm 30 years old and I get out there on that ice and play hockey and I forget all my troubles. You get back to the essence of youth."

His Number Is Up, But Not His Time

By Harvey Araton

New York Times Service

CHICAGO — Michael Jordan did not want to say goodbye, because he's hoping to meet this city's sports fans again. At Comiskey Park.

"In basketball, I fulfilled my dream," Jordan said after the Chicago Bulls retired his uniform jersey No. 23 here on Tuesday night at the new United Center. "My dream now is to play in the major leagues."

The programmed two-hour show — short on passion, long on glitz — was telecast live. Guests playfully urged the former Bulls great to rejoin the team that won three successive National Basketball Association championships, a run that ended with Jordan's sudden retirement before last season.

Jordan, who took time out from playing winter baseball in Scottsdale, Arizona, wouldn't bite.

"Hopefully, with that jersey hanging up there, it will put these things to rest," he said.

Tuesday night's program, aside from serving to retire Jordan's number, benefited the Chicago Boys and Girls Club charity that Jordan set up in memory of his father, James, who was murdered in 1993. Tickets were \$50, \$75 and \$100, and roughly 20,000 were sold. The fans gave Jordan several long standing ovations.

"I think they were actually trying to make me cry," he said. "I didn't want to cry. I got emotional a little bit."

Jordan's mother, Deloris Jordan, attended, as did his wife, Juanita, the couple's three children and many of Jordan's former teammates, like Scottie Pippen and John Paxson. Conspicuously absent from Jordan's Bulls were Horace Grant and Bill Cartwright, now with Orlando and Seattle.

The Knicks' Patrick Ewing, who shares the agent David Falk with Jordan, attended, as did the former NBA greats Julius Erving, Oscar Robertson, George Mikan, Bob Cousy and Kareem Abdul-Jabbar. Magic Johnson, Larry Bird and Charles Barkley sent videotaped greetings.

Jordan said that if he had one regret, it was that his night could not be held next door, at the condemned Chicago Stadium, where he played his entire nine-year career.

"The new building is over here, but Michael Jordan's memories are over there," he said.



Michael Jordan dwarfed by a statue of himself at a ceremony during which his Bulls jersey was retired.

NHL Managers Weigh Canceling Season

Compiled by Our Staff From Dispatches

TORONTO — National Hockey League general managers discussed canceling the season in half or canceling it altogether if the league's labor troubles are not solved by New Year's Day, The Canadian Press reported.

"They told us basically to do our math and figure out when the season might be canceled," one general manager, who asked not to be identified, told the news agency.

Although no decisions were made during a conference call Tuesday, the wire service reported that management was zeroing in on a 40-game season beginning Jan. 1 as the minimum for a legitimate season.

The NHL vice president of hockey operations, Brian Burke, told ESPN Radio that he remained optimistic that a settlement could be reached, but warned that the season must be resumed by early January. "We will not play a meaningless schedule," Burke said. "I cannot justify playing a 30- to 35-game schedule."

When asked what constituted a meaningful schedule, Burke said 40 to 42 games, and he said there was a legitimate danger of passing the point of no return in January.

"There's a very real, substantial, significant risk that we're not going to have hockey," he said.

Officially, the league has canceled only four games per team. It is expected to trim at least 10 more games from the original 84-game schedule this week.

The NHL commissioner, Gary Bettman, and the union head, Bob Goodenow, have met only twice in three weeks. No progress was reported after the most recent meeting in Washington on Monday, and no more talks are scheduled.

Goodenow was planning to meet with 200 players on

Wednesday at a Toronto hotel to update them on the month-long lockdown and discuss other financial matters relating to their lack of employment.

Owners originally delayed the start of the season for two weeks in order to allow time to work out a collective bargaining agreement to replace the one that expired Sept. 15, 1993.

That delay has stretched into its second month — the longest labor disruption in NHL history — with 175 games lost through Tuesday. Eight more were scheduled for Wednesday. (AP, Reuters)

4 Groups Bid for 2 Baseball Franchises

By Mark Maske and Eric Lipton

Washington Post Service

CHICAGO — Representatives of four would-be ownership groups from three communities seeking major-league franchises have made their pitches to baseball's expansion committee.

Bart Fisher, an attorney who is leading one of the two groups attempting to secure a team for Northern Virginia, created perhaps the highest stir when he told the nine-member committee that a syndicate of black investors would be the franchise's largest shareholder if he and his partners were awarded an expansion club.

Phoenix, Arizona, and Tampa-St. Petersburg, Florida, also made presentations at an airport hotel here on Tuesday. And baseball sources continued to say

that those communities were the clear favorites if baseball awarded two expansion teams.

"I think we're offering baseball a historic opportunity," Fisher said. "We think it's a home run. I think someone from our area is going to get a team. Our group is offering baseball not only the opportunity to return the national pastime to the nation's capital, but also to do it in a way that's representative of the community."

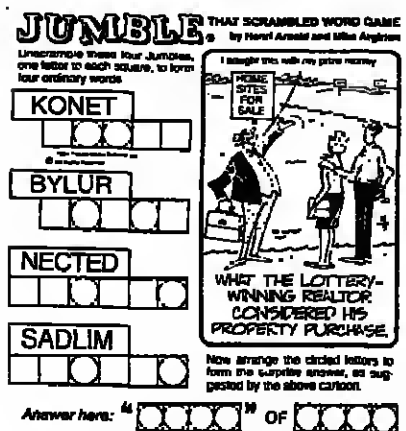
Sources close to the process said they believed the Northern Virginia group led by the telecommunications executive William Collins 3d had emerged as the area's more-attractive, stable ownership conglomerate. Collins said late Tuesday he would not consider merging his group with Fisher's. But Fisher's surprise announcement may place considerable

pressure on baseball, which often has been criticized for its lack of minority leadership.

No African American has served as the majority owner of a major-league franchise. The only minority-owned team is the Seattle Mariners, who were purchased by a group of Japanese-led investors. Two African Americans, Comer Cottrell with the Texas Rangers and Roger Blunt with the Baltimore Orioles, are part-owners of major-league franchises.

"We are offering baseball the opportunity, for the second time this century, to address an issue that needs addressing," said Robert W. Johnson, a venture capitalist who is involved with Fisher's group. "The first time was with Jackie Robinson."

DENNIS THE MENACE

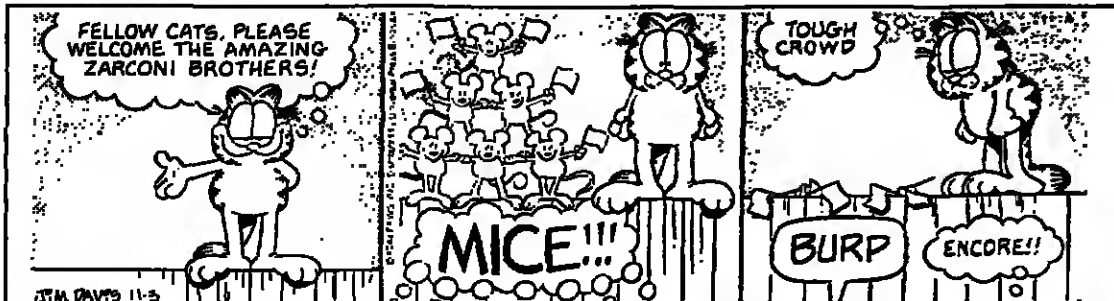


Yesterday's Jumble: EMERY, BRAND, CLEARY, FRANK, AARON. Scrambling the letters in the words above gives the answers: — THE NEEDLE

PEANUTS



GARFIELD



BEETLE BAILEY



DOONESBURY



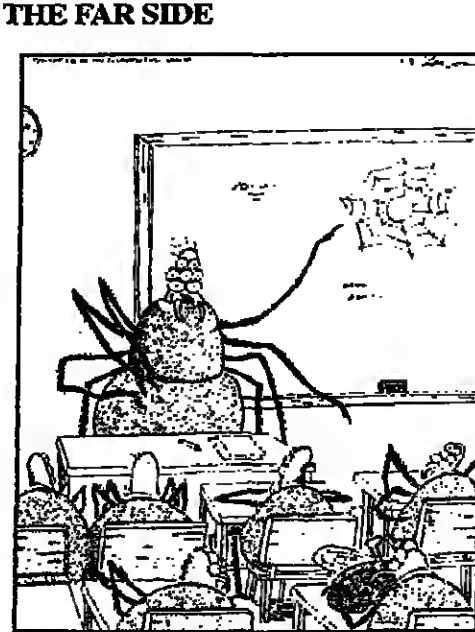
CALVIN AND HOBBES



WIZARD of ID



THE FAR SIDE



"Now what theorem applies to this... Douglas! Is that a fly you're sucking on? Well, I hope you brought enough for everyone!"

BLONDIE



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SPORTS

NFL Adds Clubs to Old Divisions

The Associated Press

ROSEMONT, Ill. — Because National Football League club owners were unable to agree on a realignment plan, the league's commissioner, Paul Tagliabue, on Wednesday placed the Jacksonville and Carolina expansion franchises into the NFL's current four-team divisions.

Jacksonville will play the 1995 season in the AFC Central, with Houston, Cleveland, Cincinnati and Pittsburgh. Carolina will play in the NFC West, with San Francisco, Atlanta, New Orleans and the Los Angeles Rams.

The league will have six divisions of five teams each.

Tagliabue said the plan would be in force for next season only. Club owners must vote to either reaffirm it or realign the divisions.

Pittsburgh's owner, Dan Rooney, had proposed that six teams — Seattle, Tampa Bay, Arizona, Indianapolis, Houston and Atlanta — change divisions. But many teams balked at the loss of rivalries and, subsequently, possible revenues.

"Ultimately, we'd like to move some people around — as long as it's not us," said Minnesota's president, Roger Gooden. "But that's the way other people feel, too, and that's why we don't get anything done."

Tagliabue appointed a 10-member committee to study the issue. The committee will report at a meeting in March.

Also, a new scheduling method was enacted to make room for the two new franchises. Each of the league's 30 teams will play eight games within its division, four games against nondivision teams within its conference and four games against teams from the other conference.

Weah Helps Catapult PSG Into European Cup Quarterfinals
AC Milan Edges Athens on Panucci Goals

Compiled by Our Staff From Dispatches

A solitary goal by Liberian striker George Weah carried Paris St-Germain into the quarterfinals of the European Cup on Wednesday with a 1-0 victory over Dynamo Kiev of Ukraine.

Weah's header in the 68th minute gave PSG a maximum eight points from four games in the Champions' League Group B and guaranteed them a place in the last eight with two matches still to play.

But the Paris team had to struggle to break down a packed and determined Kiev defense in a game almost totally dominated by the home team.

Dynamo, trying desperately to contain their French opponents, massed all their players behind the ball for much of the game and it took a little luck to break the deadlock.

Brazilian forward Rai mistimed a shot when Vincent Guerin sent him clear but his effort looped over goalkeeper Alexander Shovkovsky and hit the post. Weah, racing in, was first to the ball as he headed in the rebound.

Bayern Munich 2, Spartak Moscow 2: Sammy Osei Kuffour, an 18-year-old defender from Ghana playing his second professional match, salvaged a draw for Bayern Munich against visiting Spartak Moscow in a Group B match.

Kuffour scored three minutes before halftime as the German struggled against the skillful Russian team.

The Russians stunned Bayern with an early goal. After a Russian corner in the 4th minute from Valery Kechinov, Bayern goalkeeper Oliver Kahn was slow off the line and bumped into Nikolai Pisarev while trying to punch the ball away.

Kahn's clearing attempt found Andrei Tikhonov, whose

shot bounced off the ground

over Kahn and into the net. The Germans, slowly recovering from the early shock got on track in the 29th minute, a perfect free-kick cross from

EUROPEAN SOCCER

Christian Ziege was headed in by Christian Nerlinger to level the score.

But only three minutes later, Spartak went ahead again. Dimitri Alenichev broke past three Bayern defenders, and drove home past Kahn.

The Russians also had their problems, especially with high crosses, and Bayern used such an opportunity in the 42nd minute when Brazilian star Jorginho crossed from the right, and Kuffour rose to head the ball under the bar.

Barcelona 4, Manchester United 0: In Barcelona, Bulgarian striker Hristo Stoichkov scored twice for Barcelona in a resounding defeat of Manchester United in a Group A match.

The four-time defending Spanish league champions took the initiative almost immediately as Dutch defender Ronald Koeman picked up a yellow card in the second minute after a stiff tackle on Manchester's Mark Hughes.

Stoichkov struck first in the ninth minute with a goal set up by Jordi Cruyff, the son of coach Johan Cruyff and a surprise starter in the match.

The Brazilian World Cup hero Romario made it 2-0 in injury time in the first half when he scored head-on from 12 meters after a crossing pass from Stoichkov. Stoichkov struck again in the 53rd minute. Barcelona's defender Albert Ferrer capped the scoring in the 88th minute.

IFK Goteborg 1, Galatasaray 0: In Istanbul, an 87th-minute goal by Magnus Erlingmark

gave IFK Goteborg a 1-0 victory

over Galatasaray of Turkey in a fast-moving Group A game.

Both teams were foiled by good saves by goalkeepers Thomas Ravelli of Goteborg and the home team's Gintaras Stauskas.

Galatasaray failed to convert good chances to score when the Turkish squad dominated the field early in the first half and well into the second.

Hajduk Split 0, Anderlecht 0: In a Group C match in Brussels, Hajduk Split of Croatia virtually clinched a berth in the league quarterfinals by holding Anderlecht of Belgium to a goalless draw.

Steaua Bucharest 1, Benfica 1: In a Group C match in Bucharest, Steaua played to a draw with Benfica of Portugal on goals by Basarab Panduru for Bucharest in the 27th minute and Cristovao Helder for Benfica in the 63rd.

AC Milan 2, AEK Athens 1: In Trieste, Italy, defender Christian Panucci scored two second-half goals in seven minutes to earn defending champion AC Milan a victory over AEK Athens and two vital points in Group D standings.

Wednesday night's victory on the neutral field of Trieste gave the Italian team 3 points in four games.

Midfielder Toni Savevski put the Greek team in the lead with a left drive from 12 meters in the 16th minute.

Panucci, a member of the Italian national team, headed in the equalizer from an angled position in the 68th. Panucci scored the game winner with another header in the 75th minute.

Ajax Amsterdam 1, Casino Salzburg 1: Jari Litmanen preserved Ajax's unbeaten run in the Champions League with an 85th-minute goal to draw with



Parma's Lorenzo Minotti, left, scoring one of his two goals on Wednesday against Sweden's AIK Solna in Parma, Italy.

Casino Salzburg in a Group D game in Amsterdam.

The result virtually guaranteed Ajax a quarterfinal berth with six points from its four matches.

Tomislav Kocijan headed Salzburg into the lead in the 63rd minute. After the Salzburg score, Litmanen twice drew saves from Salzburg's goalie Otto Konrad before beating him five minutes from time with a powerful left-foot shot on the turn.

In UEFA Cup matches on Wednesday:

Parma 2, AIK Solna 0: Parma's captain-sweeper Lorenzo

Minotti scored two goals to lift

the Italian league leader over Sweden's AIK Solna. The home victory added to a 1-0 win scored by Parma in the first-leg game in Sweden two weeks ago.

Juventus 2, Marítimo Funchal 1: In Turin, forward Fabrizio Ravanelli scored twice as Juventus beat Marítimo Funchal in a third-round match to advance to the next round on a 3-1 aggregate.

Odense Boldklub 0, Kaiserslautern 0: Denmark's Odense Boldklub gained the third round by holding Kaiserslautern to a scoreless draw at home.

Unrest by Aston Villa Fans May Bring UEFA Penalty

Agence France-Press

BIRMINGHAM, England — Aston Villa is facing a heavy penalty by UEFA after a handful of fans invaded the pitch following the English soccer team's surprise elimination from the UEFA Cup by Trabzonspor of Turkey on Tuesday.

Several fans ran onto the pitch and tried to attack rival supporters who were celebrating the Turkish club's advanced to the third round for the first time.

Villa was fined £12,000 (\$19,500) and received a stern warning from UEFA after a first-round victory over Inter Milan, when celebrations extended onto the pitch.

For South African Marathoner, a Run From 'Zero to Hero'

By Jere Longman

New York Times Staff

NEW YORK — This is how Willie Mtolo's life has changed since he won the 1992 New York City Marathon: He was voted South Africa's sportsman of the year. Six months ago, he was one of two athletes invited to the inauguration of President Nelson Mandela. On Sunday, he will run New York again for victory, but at home he runs often for peace and unity.

He organizes charity runs for peace in the townships where blacks were restricted under the racial policies of apartheid, running with a white flag, encouraging whites to enter black neighborhoods, urging people to come together now that law no longer keeps them apart.

More than 150 runners have joined the Willie Mtolo Athletic Club. Apartheid is gone, but inequality in

sports remains. The best facilities are situated in white neighborhoods, so Mtolo is working to bring his sport to blacks, organizing races, measuring the correct distances on dirt tracks, providing incentives for kids to run their fastest times. The "zero to hero" program, he calls it.

There is much work to be done. In all of black South Africa, there is only one all-weather running track. It is in Soweto and was built with church money, not for running, but for wheelchair races for the disabled. In another Soweto neighborhood, a cement velodrome sits unused, a white flag, encouraging whites to enter black neighborhoods, urging people to come together now that law no longer keeps them apart.

More than 150 runners have joined the Willie Mtolo Athletic Club. Apartheid is gone, but inequality in

for what some believe could be as fertile a running harvest as was produced in Kenya.

"He has rolled his sleeves up and gotten his hands dirty, trying to help kids on a grass-roots level," Ray De Vries, who is Mtolo's agent, said Tuesday. "Few athletes do that."

Two years ago, South Africa had just been readmitted to the Olympic community after 32 years of banishment. Mtolo, 30, was the first South African to officially enter the New York City Marathon. His victory changed many lives, including his own.

With the \$20,000 in prize money, a \$30,000 bonus for running under 2 hours, 10 minutes (2:09:25) and the Mercedes-Benz he won in New York, Mtolo has bought a house in the Pinetown section of Durban, a port city on the Indian Ocean. He lives near De Vries, something that would

have been impossible under the Group Areas Act that once separated the races under apartheid.

Two brothers and sisters live with him, and for his sisters he provides money for school and clothing. He has also purchased a 300-acre (120-hectare) farm, and a tractor for the two-acre spread where his mother grows corn and potatoes in the village of Kilmom.

"The victory," Mtolo said, "People needed a hero."

He is dedicating this year's marathon to Fred Lebow, the race director who died of brain cancer last month. Lebow brought Mtolo to New York as a spectator in 1991. A year later, it was Mtolo who held the tape when Lebow crossed the finish line when he ran his own marathon.

This year, Mtolo will have as a

personal cheerleader his own mother, Bagechili Mtolo, who has never seen him run. This is her first trip out of South Africa, her first ride in an airplane. In South Africa, she lives in a remote village without electricity or running water. In New York, she has taken her first ride on an elevator and an escalator.

For the next five days, he is concentrating on running. He has not won a major marathon since New York. Last year, he overtrained and ran without distinction. This year, he finished second to Vincent Rousseau of Belgium in the Rotterdam Marathon, running 2:10:17, his fastest time since winning in New York.

His mother will be waiting at the finish line. "I'm very excited with my mother here," Mtolo said. "If she sees me hit the tape, I think she will cry."

SIDELINES

Indian Record-Holder Quits Cricket

NEW DELHI (Combined Dispatches) — Kapil Dev, test cricket's highest wicket-taker, announced his retirement from the game on Wednesday.

Kapil, 35, took a world-record 434 wickets in 131 tests with his fast-medium outswing since his Test debut on Oct. 16, 1978 against Pakistan. He is the only man in test cricket to have scored over 5,000 runs and taken more than 400 wickets.

He became the top test wicket-taker when he broke Sir Richard Hadlee's record of 431 test wickets during a test match against Sri Lanka earlier this year in India. Kapil Dev has played 131 tests and 224 one-day internationals. He said he would begin a new career as a television commentator. (AP, Reuters, AFP)

A Top Cuban Boxer Defects to U.S.

MIAMI (AP) — A top member of the Cuban national boxing team and one of the best amateurs in the world in his weight division took advantage of a one-night stopover to defect with the help of a former teammate who defected last year.

"I really didn't have a detailed plan in mind," Diobelys Hurtado Pimentel, 22, said. "I figured I was in Miami, a place with a lot of Cubans who would welcome me. I didn't know if I'd have the opportunity again."

With his teammates, Hurtado had been heading back to Cuba after a 10-2 victory over the United States in a dual meet in Connecticut. He said he managed to slip out of the team's Miami hotel early Monday. He checked into another hotel and, at 3 A.M., phoned the only person he knew in the area, a former teammate, Giorbis Barthelmy, who defected last year. Hurtado is considered one of the top amateurs in the world in the 132-pound (60-kilogram) division, according to USA Boxing. In Cuba, he is ranked No. 1 in his weight class.

NBA Teams in Japan for Openers

YOKOHAMA, Japan (AP) — The Portland Trail Blazers and the Los Angeles Clippers arrived here Wednesday to prepare for their National Basketball Association season-opening games in Japan this weekend.

The two teams will open the 1994-95 season with games at Yokohama Arena on Saturday and Sunday. The games mark the third time NBA openers have been played in Japan. The first were played in 1990 between the Phoenix Suns and Utah Jazz.

The contests also will mark the NBA debut of Portland's coach, P. J. Carlesimo, who is switching to the Blazers' helm after 12 seasons as head coach of the Seton Hall college team.

For the Record

The San Antonio Spurs on Wednesday suspended Dennis Rodman without pay for the first three games of the National Basketball Association season because of his recent behavior. The team originally had announced an indefinite suspension against Rodman following an outburst in a preseason game Monday with the Charlotte Hornets. (AP)

SCOREBOARD

SOCCER

ENGLISH PREMIER LEAGUE

Bristol 1, West Ham 0
Ipswich 2, Leeds 0

Standings: Newcastle 29 points, Nottingham Forest 25, Manchester United 25, Blackburn 24, Liverpool 23, Leeds 21, Chelsea 19, Norwich 17, Manchester City 15, Arsenal 15, Tottenham 15, Southampton 15, Coventry 15, West Ham 14, Queens Park Rangers 13, Sheffield Wednesday 13, Crystal Palace 12, Wimbledon 12, Aston Villa 10, Ipswich 10, Leicester 9, Everton 7.

CRICKET

THIRD TEST

Pakistan vs. Australia, 2nd day
Wednesday, in Lahore

Australia led by 222 (all out)
Pakistan all out: 102-2

TRANSFERS

BASEBALL

BALTIMORE — Named 3rd Youth director of player development, named Don Buford

CINCINNATI

Purchased the contracts of Matt Gatt and Terry Brown, pitchers, and Kevin Maas, first baseman, from Indianapolis.

BOSTON — Declined to exercise their 1995 option on Damon Berry, catcher.

CLEVELAND — Named Dick Crist coach.

KANSAS CITY — Named Mitchell Paez 1st base coach.

NEW YORK — Named to terms with Scott Bonifield, pitcher, on 1-year contract.

INDIANAPOLIS — Named Jamie Dismuke, first baseman, off waivers from Cincinnati.

BASKETBALL

National Basketball Association

CHARLOTTE — Waived Chad Gollister

PHOENIX

Waived Malcolm Mackey, forward, and Anthony Goldwire and Winston Garland, guards.

PORTLAND — Waived Jason Jackson, guard, and Kevin Johnson, forward.

SACRAMENTO — Signed Brian Grant, forward, waived Jimmy Oliver, Los Angeles.

SMITHSONIAN — Signed Steve Nisley, guard, waived Steve Nisley, guard.

SEATTLE — Waived Paul Graham and Chris Kunkin.

FOOTBALL

National Football League

ARIZONA — Waived Frank Harrison, running back, to the practice squad.

GREEN BAY — Placed Larry McMillan, defensive back, on injured reserve. Claimed Keith Johnson, cornerback, off waivers from Chicago.

NEW ORLEANS — Signed Lance Trickett, defensive lineman, and Willie Nelson, safety, to the practice squad.

HOCKEY

National Hockey League

BOSTON — Named Bob Fennell director of pro scouting and development.

PHILADELPHIA FLYERS — Announced that Keith Acton, assistant coach, has signed a 3-year contract with the Flyers.

PHILADELPHIA — Waived James Donohue, center, and Derrell Dumas, center.

CROSSWORD

ACROSS

1 Singer Vikki
3 Dashed Hans
5 Rabbittike animals

13 Stags award
14 Distant exile
16 Mutual of —
17 Spool
18 "Granny Smiths?"

20 Deck officer
21 Bulgar, e.g.
22 Cloned computers
23 Weekday abbr.
24 Southwest New York city
25 Bird with a stop a stop
26 TV journalist
27 Ketchup 1's
28 In 16
29 Juke
30 Richards of tennis
31 Cork, e.g.
32 Seraped the bottom of
33 "Dynasty" actress Garber
34 — Canals
35 Keats's "The — of St. Agnes"

2 "Peek —"
3 Some are spare
4 Skunk turnaround
5 Barley beard
6 KO callers
7 Extend
8 Balloon sound
9 Enraptured
10 TV journalist
11 Marvin
12 "Past" alternative
13 Smart talk
14 Refrain syllable
15 Cross inscription
16 With Fr.
17 Pulitzer dramatist of 1953
18 Yorkshire river
19 Former life
20 Put into words
21 Biota part
22 One of a pair at Henley
23 Provokes
24 Actor Christopher Francis
25 P.M. before Macmillan
26 Humans and monkeys
27 City on the Arno
28 Play — (kids' art medium)
29 Churn
30 Wolfed (down)
31 Canon rival
32 Nonclerical
33 Set on the table
34 Puts on
35 Surrender
36 Plebe's place, abbr.
37 Doze

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